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## **Soviet Union**

**KOMMUNIST**

No 5, March 1989

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# Soviet Union

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[Translation of the Russian-language theoretical and political journal of the CPSU Central Committee published in Moscow 18 times per year.]

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## KOMMUNIST

No 5, March 1989

### Muscovites Concentrate on Furthering Perestroyka

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[Article by Lev Nikolayevich Zaykov, CPSU Central Committee Politburo member, CPSU Central Committee secretary and Moscow City CPSU Committee first secretary]

[Text] Perestroyka in the country has entered the crucial stage of practical action. The party's strategy—the strategy of advance toward a new quality of socialist society, formulated and tested in the first years of perestroyka—is being embodied in specific resolutions and is gaining substance through practical deeds.

The features of our time determine the activities of the Moscow City Party Organization. The party members in the capital deem it as their objective to justify the hopes created by perestroyka and to achieve specific results in all areas of social life. The Moscow party members must reassert their role as a political vanguard which can organize and lead the people.

Their progress is based on an efficiently tested political line, a realistic assessment of achievements and a prompt correction of activities in accordance with changing circumstances. This was precisely the approach taken by the Moscow party members in discussing the course of perestroyka at the 27th accountability and election conference of the city party organization.

The distinguishing feature of the conference was the objective critical analysis of processes occurring in the economic, social, political and spiritual areas of city life. It indicated that the party members in the capital are aware of the pressing problems of regional development and are able to formulate a program of action for their solution. The work of the conference was characterized not by the ostentatious glitter of indiscriminate criticism but by a profound study of the nature of perestroyka processes and a constructive and considerate approach to further activities by the city's party members.

The participation of party and government leaders in the preparations for and holding of the party forum in the capital and their visits to labor collectives and attendance of rayon party conferences meant a great deal to the party members. The meetings held between Comrade M.S. Gorbachev and the party aktiv and his address at the conference had a mobilizing effect on the city's communists. "...One must not fear difficulties but march forth, gathering experience and the skill to work under conditions of democracy, radical economic reform and

wide openness." this statement made by the CPSU Central Committee general secretary, met with the profound understanding of the Moscow party members.

The conference paid particular attention to the party's guidance in developing the city's economic complex. In their addresses, the delegates pointedly discussed the problems which are holding back perestroyka in the economic area and hindering the full use of the richest possible opportunities provided by the new economic mechanism.

Characteristic in this sense was the address by Comrade V.I. Lyapin, a worker at the Moscow Electrical Engineering Plant imeni Vladimir Ilich. No one was left indifferent by the sharply critical analysis of the state of affairs at his enterprise, which was profound and specific.

It was decided that immediately after the conference a study should be made of the situation which had developed at the plant. Accompanied by Comrade N.I. Ryzhkov and senior personnel of the party's gorkom and raykom and the ministry, we met with the party members and workers in that enterprise. This was a party-style principled and constructive joint search for a solution to accumulated problems. The result was a program which was formulated and approved for the technical retooling of the plant and the creation of the necessary working and recreational conditions for its workers. Other examples could be cited proving the party's influence on the solution of specific problems.

It may seem, looked at superficially, that the party's gorkom has become involved in extraneous functions by solving economic problems. Incidentally, we came across this view also in the course of discussing the results of the city conference. Some party personnel are saying that the conference paid excessive attention to production activities. We believe that such a view is, on the one hand, a reaction to our old party disease of solving all and everybody's problems. On the other hand, it indicates an inability to take a new look at the process of interaction between politics and economics under the conditions of perestroyka.

Particularly relevant today are V.I. Lenin's words to the effect that our main policy is that of the economic building of the state (see "*Poln. Sobr. Soch.*" [Complete Collected Works], vol 41, p 407). In this case it is of essential importance to ensure a political approach to the solution of economic problems. Without the understanding that the economic reform is, essentially, a combination of economics and politics, no radical change in its implementation would be possible. The question which arises in this connection is how to avoid in practice taking over the functions of economic and soviet authorities and their petty supervision by party committees, and how to demarcate their functions?

The successful implementation of this task requires, first of all, a conversion from primarily administrative to economic management methods on all levels, extensive democratization of management and the comprehensive enhancement of the human factor; second, changes in the activities of the party itself, which would exclude the interference of party committees and organizations in the direct work of economic authorities but would strengthen the party-political support of perestroika.

In order to implement the resolutions of the 19th All-Union Party Conference, the party gorkom has charted a course of coordinating and rallying the joint efforts and providing an impetus to the sociopolitical activeness of the working people through the party organizations, a course of selection and placement of cadres, worker control, and the creation of a healthy political and moral climate in the city, the rayons and the collectives.

This is not to say not mean that now the party authorities must deal exclusively with "pure policy," and that they have been relieved of the responsibility for the development of all aspects of city life. It is a question of abandoning the administrative-command and economic functions, and providing a truly political leadership and influence on economic, social and spiritual life in the capital.

However, the problems and difficulties which hinder the conversion to political management methods remain numerous. The roots of many of them can be traced to the past.

The Moscow economy lost its dynamism in the period between 1970 and 1985. Thus, in the 9th 5-Year Plan the average annual growth of labor productivity in the city's industry was 6.4 percent; it dropped to 3.5 percent in the 10th and to 2.7 percent in the 11th. The objectives of accelerating scientific and technical progress, resource conservation and upgrading production quality did not become the decisive factors of economic growth. The equipment at many Moscow plants and factories has fallen substantially behind contemporary requirements and has largely become obsolete.

Under the influence of deformations and the power of inertia, the Moscow economy developed extensively: an increasing amount of resources, manpower above all, was required per each percentage of growth. All of this could not fail to influence social problems. In a number of most important indicators of development of the social area Moscow fell below standards, in terms of availability of physicians, public catering and trade enterprises, schools, preschool institutions, urban passenger transportation and, particularly, the subway. No one can be satisfied with the condition of Moscow's theaters, museums and other cultural institutions; the number of concert halls is obviously insufficient for the capital. The housing situation has become particularly difficult.

During the period of stagnation the atmosphere of ostentation, whitewashing and double moral standards imbued all pores of the urban body and led to the fact that a tremendous number of problems demanding an urgent resolution accumulated in the capital. In January 1986 this was openly and bluntly stated at the 26th city party conference. The priority areas of socioeconomic development of the city were set and the initial steps were taken to overcome the legacy of the period of stagnation.

However, at that time we lacked the skill systematically to implement the steps earmarked in the program. The necessary conclusions were drawn at the November 1987 city party committee plenum, based on the harsh lessons learned from the distortions in the policy of perestroika in Moscow. The results of the efforts of the party members and all Muscovites last year confirmed the timeliness of the steps which were taken. A radical economic reform is being actively implemented in the city; work efficiency is being upgraded and the technical retooling and reconstruction of enterprises is taking place. Production costs are declining and production profitability is rising. There has been a change in surmounting the long years of neglect of the social area and greater concern is being shown for the needs and demands of Muscovites.

The economic mechanism is being restructured and full cost accounting is being applied. Last year more than 70 percent of the industrial output was produced by enterprises working under the new economic management conditions. The results of their activities turned out to be higher than at enterprises working under the old system, particularly in terms of basic indicators of efficiency, such as labor productivity, profits and production costs. Unfortunately, we encountered the aspiration of a number of ministries to manage the production process with the help of the old administrative-pressure methods.

The party authorities were asked to engage in a thorough search for new ways of achieving public ownership. Contracting, cooperative and various forms of international economic integration are being used in economic management practices. Leasing relations are being developed. The experience of five enterprises which converted to leasing indicates that the attitude of the people toward their enterprise is gradually changing and that they are truly becoming the masters of the production process. This has led to a tangible improvement in the economic indicators of their activities. Naturally, leasing should not be considered a universal solution to all problems. It is merely a link in the economic reform which, along with other methods, could lead to further socioeconomic progress.

The city party committee ascribes great importance to the development of the cooperative movement. We consider it a real force which can take the economy back to the individual with his specific individual needs, and intensify the democratic forms of the public organization of production and labor.



Cooperative activities in Moscow are gathering speed. At the start of 1988 the city had 3,537 cooperatives which had produced goods and services worth 472 million rubles, compared to 12.8 million in 1987.

However, errors and distortions in the organization and economic activities of cooperatives, which were allowed at the initial periods of the development of this economic sector, triggered justifiable criticism. Price increases, despite the low quality of goods and services, an unjustifiably high level of personal income earned by the members of cooperatives, speculative trends and others do not contribute to the enhancement of the social prestige of the cooperative movement. The Muscovites are also concerned by the trend of losing workers in many enterprises in the state sector. In frequent cases cooperatives have been replacing state enterprises in trade, public catering and consumer services, resulting not in increased services but their higher increased cost. This undermines conditions for a healthy competition between the cooperative and the state sector on the market for commodities and services.

Such distortions are not being ignored. Control over the activities of cooperatives, including by the workers, is improving. Greater exigency is being shown toward the cadres responsible for this work sector. A system for supplying the cooperatives with raw and other materials and equipment is being established. The rayon party committees have been asked to pay greater attention to the work of cooperatives.

Generally speaking, Moscow's economy is gaining in dynamism and social concerns. However, by no means are we able to accomplish everything and some problems have even worsened. This is mainly due to our inability to adequately anticipate the entire difficulty of surmounting the old administrative-command system. Experience in applying the new work style remains small. Furthermore, preparations in many Moscow enterprises preparations for a radical economic reform were sluggish. Some managers displayed confusion and lack of competence. The following simple truth has not been realized as yet: unless all participants in the production process master the principles of cost accounting the desired results will not be obtained.

Decision making was unsystematic. For example, efforts were made to focus the attention on the leading areas of socioeconomic development and to take specific steps. Twenty-six different programs were drafted in the city. Practical experience indicated, however, that they were poorly interrelated and lacked adequate support with resources.

Taking into consideration past errors and present difficulties, the "Progress-95" Territorial-Sectorial Program was drafted on the initiative of the Moscow city party committee. This is not only a technical and economic document but also an efficient instrument of party influence on solving national economic problems and

enhancing the social activeness of all population strata. Let us emphasize its democratic foundations: the program was originated from below, in the labor collectives. It encompassed their suggestions. It was drafted with the participation of scientific research institutes and economic and soviet authorities, under the scientific guidance of the USSR Academy of Sciences, the State Committee for Science and Technology and the USSR Gosplan. The party committees headed the work in drafting the sectorial and rayon sections of the program. This made it possible most closely to interconnect the interests of all urban sectors with those of rayons and enterprises on their territory and to concentrate the efforts on the priority areas of the capital's socioeconomic development. The basic indicators of the program were published in MOSKOVSKAYA PRAVDA. We can report that the program passed the evaluation test of the public.

The "Progress-95" Program is not a mechanical combination of older individual programs for various areas of socioeconomic development of the city but an essentially new scientific document. Its main purpose is to ensure the intensification of Moscow's economy on the basis of scientific and technical progress and the technical retooling and reconstruction of enterprises, including those in the light, food and processing industries. Therefore, the entire array of broad tasks relative to the city's development will be systematized. At the same time the program will become the nucleus for the now completed new general plan for the development of the capital and of Moscow Oblast until the year 2010, and the plan for the socioeconomic development of Moscow in the 13th 5-year period.

It is no accident that the name of the program is "progress." We link radical changes in the city's economic and social aspect to a breakthrough in science and to a revolution in equipment and technology. The CPSU Central Committee June 1985 Conference on Problems of Scientific and Technical Progress led to a substantial acceleration of the work in that direction. The party members in the capital are systematically solving problems related to the efficient utilization of the tremendous potential of the city's scientists and engineers, helping to develop optimal organizational structures for scientific research and application of achievements.

The development of the priority areas of science and technology is being closely monitored. The purpose is to make Moscow the center of development of scientific and technical innovations and most important organizational and economic forms of integration of science with production. A number of intersectorial scientific and technical complexes are operating in the city in the main areas of scientific and technical progress. They proved their possibilities but the results of their work could have been significantly higher had departmentalism been eliminated. Every participant in the intersectorial scientific and technical complexes turned out to be

"attached" to his department and dependent on the ministerial system of drafting plans and allocating material, technical and financial resources.

This situation dictated a logic of action based on increasing the interconnection between science and production and between suppliers and consumers horizontally rather than vertically. Good opportunities appear here with the establishment of intersectorial state associations and releasing enterprises from departmental subordination. The first such association, named "Kvant," was established in the city. We consider as the most important task of the party organizations that of studying and summing up the practical experience of the Kvant collective and providing the necessary conditions for its popularization.

However, despite the importance to society of the growth rates of output and new machines and technologies and various forms of economic management, all of this could be depreciated unless it is subordinated to the main thing, which is the all-round good of man. The role of the social sphere becomes immeasurably greater today, when perestroika has entered its most crucial stage. The people judge of economic efficiency precisely by the level of development of the social area. The needs of man and the extent to which they are being satisfied are increasingly becoming boosters of further progress. The party, soviet and economic organizations and all Muscovites face the task of tremendous importance of taking a major step in the solution of problems directly related to the daily life of the people. This particularly applies to increasing the output and improving the quality of goods in daily demand. Enterprises in all sectors, including the defense industry, must deal with this problem more energetically.

One of the worst problems in Moscow is that of housing. It is the focal point of attention of the party gorkom and raykoms. The guideline formulated in the programmatic documents stipulates that by the year 2000 every family must have its individual apartment. This is not an easy task. By the end of the century the housing conditions of some 4 million Muscovites must be improved. This means that no less than 50 million square meters of housing must be built between the 12th and the 14th 5-year periods. This means some 900,000 individual apartments. A firm base for the implementation of this task was laid in the past 3 years. The 5-year plan indicators for housing construction are being overfulfilled.

Also important to us is solving problems related to the implementation of the comprehensive program for the reconstruction of the center of Moscow. Here the updating of housing and engineering facilities, eliminating communal housing, restoring historical buildings and improving the ecological situation as a whole are but a very partial list of items on the agenda. The amount of such projects is quite considerable and is estimated at roughly 5 billion rubles.

On the initiative of the party organizations the construction facilities in the city are being reorganized. All reserves have been harnessed. The labor collectives are undertaking capital repairs and reconstruction of old houses. The movement of youth residential complexes is expanding and private construction is developing. The allocation of housing is being closely supervised.

Nor is the party gorkom standing aside in solving health care problems. Unfortunately, this most important area is noticeably behind modern standards. Sometimes even basic equipment, not to mention computers, is in short supply. Many hospitals and polyclinics are in a state of neglect. The "Health" Program, which is an organic part of "Progress-95," stipulates a comprehensive approach to planning production, preventive and treatment activities and all practical efforts to lower the morbidity rate. The training-prophylactic facilities of enterprises are being expanded and strengthened.

High targets have been set. However, this does not mean that everything will take place automatically, by itself. Practical experience indicates that no major success can be achieved as a result of isolated steps and partial modernization, something known as a cavalry charge. Nonetheless, any delay in the implementation of the economic reform and development plans could worsen distortions in the national economy and greatly discredit perestroika. That is why a considered and critical study of the problems which have become apparent is needed. The party, organizational, economic and social factors involved in solving the problems must be harnessed; all working people must realize that it is their exclusive efforts that will determine the success of perestroika and the social well-being of everyone.

Naturally, one of the organizational foundations for such work is the implementation of the reform of the political system, formulated at the 19th Party Conference. Perestroika must not only eliminate the consequences of certain deformations in the development of socialism and socialist democracy but also fill the visible gaps and contribute to the creation of a general democratic standard, which will become customary to everyone. It is only in the course of systematic and persistent work in this direction that organization will develop into self-organization, management into self-management and discipline into conscious self-discipline. We have both the legal and political foundations for the extensive development of all forms of socialist self-management by the people, particularly in the labor collectives.

What is the state of democracy on the basic level, in the labor collectives? There are more than 8,000 labor collective councils in Moscow today. As a whole, the labor collective councils have proved their viability. Studies have indicated, however, that many councils have bogged down in dealing with "current affairs." Their meetings deal with a tremendous range of problems, including some which are not within their competence. The activities of the councils are frequently duplicated

by the trade union committees and the administrations. The reason is the still small experience of work under the new economic management conditions and lack of knowledge of economics and law by council members. In order to correct such shortcomings, several Moscow party raykoms have organized seminars with managers of labor collective councils. We are extensively popularizing the experience of the best councils which have developed optimal variants of activities expressing specific enterprise features.

The organization for and holding of elections for Soviet people's deputies was a major step in the implementation of the political reform. It would be no exaggeration to say that we witnessed an unprecedented activeness on the part of the voters. For the first time the nomination of candidates for USSR people's deputies by electoral district took place in the course of sharp clashes of views and interests and was accompanied by stormy debates. Alternate candidacies were considered at virtually all meetings. A major feature of the electoral campaign was the nomination of candidates at voters' meetings in residential districts. The election of deputies provided good training for the involvement of millions of people in politics and for actively using and developing the entire arsenal of democratic instruments.

It is obvious today that democracy is developing in width and depth. The appearance of new forms of self-management in a number of microrayons, contributing to the development of glasnost and collectivism in solving social and educational problems in residential areas, was further confirmation of the comprehensive democratic processes taking place in the country. Unquestionably, these forms of organization of the population will be developed further in the course of preparations for elections to local soviets.

Mastering the new approaches in political work and in organizational and ideological activities is no easy work. Some people find it difficult to practice glasnost; others do not like criticism and statements in the press; others again have generally become accustomed to think that they alone can make a right decision. We come across such phenomena today quite frequently. It is above all those who fear open social control that are displeased with democratization. However, democracy puts everyone in his proper place and makes clear who is who.

The experience of perestroika, in its first stage, indicates that a great deal remains to be done to harmonize the interests of society with those of the collective and the individual and to surmount deformations in all areas of life. The party can see and take into consideration these factors in the course of its activities. The novelty and scale of the tasks, in turn, call for a scientific analysis of the course and forecasting of the socioeconomic consequences of perestroika and the contradictions within such a complex social process.

"...A society which is advancing toward a qualitatively new condition," M.S. Gorbachev noted in his report to the 19th Party Conference, "means an overall concept of development and a vision of the dialectics of the processes and the contradictory way in which they are reflected in the mass awareness, the pluralism of opinions and the formulation of scientific prospects." In order to solve these problems, the party is directing its efforts toward the creation of a new mechanism of interaction among practical work, science and politics.

Most of all, it is a question of a qualitatively new understanding of socialism in all of its aspects, the rejection of simplistic approaches and schematism and a straight-line approach, in favor of common sense and an honest and full knowledge of reality. Soviet society is making the most difficult of all revolutions—a revolution of the mind. Therefore, today problems of ideological support of perestroika, problems of theory, are assuming a truly determining significance. Armed with a scientific knowledge of the past and the present and with a theoretically substantiated future, the party is heading the processes of shaping the social consciousness.

The essentially new situation prevailing in our society calls for the energetic restructuring of overall ideological activities. Today, when the implementation of our plans assumes a crucial significance, a decisive turn toward constructive actions and a conversion of the social consciousness from expecting results from perestroika to active practical work become particularly important. The Moscow social scientists have great responsibility in the formulation of new scientific approaches to the reciprocal enrichment of economics and ideology, politics and ideology, and ideology and social psychology. The party gorkom has noticeably intensified its work with them. Permanent seminars have been organized for VUZ teachers of history, political economy and philosophy and for teaching social science in the schools. Steps are being taken to update the topics of scientific research in the social sciences. We believe that upgrading the theoretical and methodical standards of work of teachers and social scientists will help to improve propaganda, lecture and mass political work in labor collectives and at home.

The Moscow City Party Committee passed a special resolution on the development of a system for the study of public opinion. The task force of the ideological commission of the gorkom must set the tone in this work. Methodical guidance in such studies will be provided by a specialized subunit of the USSR Academy of Sciences Institute of Sociology. Furthermore, the Moscow City Executive Committee is organizing a cost accounting center for the study of public opinion. One of its tasks will be to establish respective public bodies in the rayon party committees. We emphasize that party and ideological personnel must learn how to use the information they obtain and, on its basis, promptly to change emphases in the content and ways and means of their work.

Under circumstances in which public opinion is becoming increasingly vocal, it is important to upgrade the level of competence of the people and do more specific and extensive work with the individual population strata. This is particularly necessary today, when the various autonomous social groups are exerting an increasingly noticeable influence on sociopolitical and cultural life.

Since April 1985, within a relatively short time, they began rapidly to expand, involving an increasing number of people and new social groups and collectives, and creating various forms of social organizations, such as clubs, committees and associations. They act in a number of areas, ranging from organizing leisure time activities to charity, social planning and alternate legislation.

A characteristic feature of the independent movement is its increasing politicizing. Ever more frequently it sets as its objective the solution of general social and general political problems. Apparent in the activities of many autonomous associations are a constructive and socially significant trend and desire to formulate and test their own programs and projects. Frequently, however, the result is that instead of leading in the formulation and solution of various problems, the party organizations are following in the tail end of events and displaying inertia. In some cases, some ideological cadres are short of arguments with which to oppose the extremists who try take advantage from the difficulties of perestroika.

The essence of the party approach to social movements is based on the understanding that they appeared and exist as the direct result of democratic changes. The principle here is simple: engage in a frank discussion with the people, do not circumvent pointed questions, and prevent situations which potentially threaten the public peace. The people must know and see that the party is open to dialogue. Nonetheless, it is entirely clear that the fate of perestroika is decided not at meetings but directly in the labor collectives. Therefore, it is extremely important for ideological work to be properly developed on-site, within each party organization.

Recent events have confirmed the existence of serious problems in relations among nationalities. This has had different impacts on the processes of perestroika. The gorkom made a close study of the numerous suggestions submitted by labor collectives and party organizations, enterprises, establishments, scientists, specialists, representatives of trade union and Komsomol authorities, creative associations, and activists in national-cultural societies and associations. It is on their basis that suggestions were submitted by the Moscow party organization for consideration at the forthcoming CPSU Central Committee Plenum.

Meanwhile, practical work is being directed toward a more profound study of the national factor and the features of its interaction with the economic, social, political and spiritual factors of Muscovite social life.

We are rallying the efforts of social and state organizations and labor collectives in promoting Soviet internationalism and the specific help to Muscovites in meeting their national-cultural requirements. Interscholastic classes have been organized for the study of national languages and sales of books in the languages of the peoples of the USSR has been increased. New literary and theater studios have been opened and more films produced by the movie studios of Union republics are being screened. Various national-cultural amateur groups are being created and registered in Moscow as amateur associations or urban cultural societies. Cultural centers of all Union republics will be created in the future. They are being organized with their direct participation. Essentially, these will be centers for international and patriotic upbringing, in which both Muscovites and guests of the capital will be exposed to the achievements of fraternal republics in economics, science and culture.

As we know, a substantial artistic and creative potential has developed in Moscow. Some 100,000 professional creative workers are at work here. The Moscow organizations of the creative alliances account for 25 percent of all men of culture and art in the USSR and for one-half in the RSFSR. We consider our task as one of actively influencing the course of perestroika in the realm of culture and the spiritual life of the city and a powerful factor for the acceleration of economic and social development of the capital and the pace of our progress.

The wide variety of Moscow cultural life most clearly reflects the entire variety and unusual nature of perestroika processes. Typically, the emancipation of spiritual life brought to light not only constructive forces. Unfortunately, painters were unable to avoid cliquishness and development of false ambitions. It is paradoxical but a fact that the principle of socialist pluralism which is jointly promoted by the artistic intelligentsia must be protected, above all, from itself.

This demands new approaches to the party's leadership in the area of culture. Their essence is to rely on the methods of persuasion, a profound understanding of the specific laws governing the development of all the arts and familiarity with the mentality of creative workers. Their purpose is the rally the creative potential for the sake and on the basis of the spiritual enrichment of perestroika, and the intellectualizing and humanizing of socialist society. In this connection, we are concerned with upgrading the activeness of party organizations and broadening the party-political aktiv in the creative society. We try to awaken in all party members in cultural institutions a feeling of personal combativeness. We teach them to act, under all circumstances, on the basis of a respectful attitude toward talent. We are now paying greater attention to socioeconomic problems and to strengthening the material facilities of theaters and concert halls in the capital.

Today the press, radio and television are on the front line of the battle for perestroika. They play a leading role in molding public awareness, collecting various opinions and organizing the people for practical action. The party has called for enhancing the standards of leadership of the mass information media and increasing their responsibility for high quality, political purposefulness and the adoption of firm ideological and moral positions by publications and broadcasts. For it is no secret that the picture shown by the Moscow press is quite variegated. Some editors are moving by inertia while others are losing their clear ideological, professional and esthetic guidelines. Many of them stopped at the stage of exposing past deformations, ignoring the real positive changes and the positive experience which is materializing the ideas of perestroika.

All of this makes particularly relevant the position held by the party committees concerning the activities of mass information media and upgrading the responsibility of party member-editors and members of editorial collegiums for the systematic implementation of the party line. The journalist, as he comes across a broad range of different opinions, which reflect different understandings and perceptions of perestroika in terms of its objectives and essence, must display not only courage and efficiency but also political wisdom, tactfulness and ability to determine the core of phenomena and to interpret them in the broad context of our social practices. This, however, is not always the case. For example, although of late editions of MOSKOVSKAYA PRAVDA and VECHERNAYA MOSKVA and the popularity of the programs of the Main Editorial Board of Moscow Television and Radio Programs have increased, the Muscovites have voice quite serious criticism of their work. This is confirmed by the letters to the editors and those received by the party gorkom and meetings in labor collectives.

All of this makes it necessary to intensify the work with journalistic cadres. Every month the personnel of the city's mass information media meet with secretaries and senior workers of the city party committee and heads of the Moscow City Executive Committee. Practical training in the various departments of the Moscow City Party Committee has been organized for Moscow television and radio journalists. We shall continue to see to it that the urban press, television and radio energetically help the party organizations to advance the process of renovation and democratization in all areas of society.

The new approaches to ideological work and its renovation face the party with difficult problems in the implementation of cadre policy and training the ideological aktiv.

Many propagandists turned out to be unprepared for active efforts under the conditions of increased democracy and pluralism of opinion. The party organizations in Moscow have begun firmly to get rid of those who were unable to eliminate their mental stereotypes and

proved unable to work under the new conditions. At the same time, they undertook the specific retraining of party workers and to give them practical help in mastering the ideology of renovation and the art of debate.

Therefore, today we see it as our task to mold and raise a new generation of ideological cadres consisting not only of lecturers and propagandists. Today the party needs a powerful and technologically and methodically well-trained detachment of professional ideologues consisting of party workers, journalists, men of culture and science, and members of the young creative intelligentsia, with modern thoughts, high political standards, independence and belief in the need for perestroika.

Today perestroika formulates stricter requirements toward the party organizations on all levels. This is a question, above all, of eliminating wasteful projects, achieving results from ideological work and logically turning it into organizational activities. In this connection we must substantially upgrade the level of activities of the primary party organizations, for they are the foundations of the party. It is precisely here that the party's main potential is concentrated, a potential which can largely predetermine the nature of the developing processes. The extent to which the primary party organizations will actively join in this work will, in the final account, determine the outcome of our policy.

Delegates to the 27th City Party Conference expressed the profound concern of the party members to the effect that perestroika has not as yet reached all primary party organizations. Mental dogmatism and conservatism are still being felt and the power of inertia remains high. Many party committees and buros are short of persistence and purposefulness. They are losing their authority among the masses and thus developing in the party members a feeling of passiveness and indifference, and delaying the reinforcement of party ranks.

As a study has indicated, the main difficulty of a party committee or the buro is that occasionally it finds it difficult to abandon ways and means of party work which they have used for decades, to adopt a critical attitude toward long obsolete stereotypes and face real life. It is particularly important today to understand the specific reasons for wheel-spinning in the work of any primary party organization and to formulate optimal ways of surmounting it. Above all, this involves rejecting bureaucratic administration on all levels, from the primary to the city; it involves a display of initiative and autonomy and rejection of unnecessary regulations and overorganization. Not commands, orders, pressure or threats but extensive internal party democracy, based on dialogue and a comparison among different viewpoints should characterize the style and method of activities of the party and of all of its primary organizations.

We try to promote this type of work style in gorkoms and the raykoms, without always succeeding. In this connection, we consider instructive the assessment of the quality of leadership by the party raykoms, expressed by the

secretaries of primary party organizations in the course of the sociological survey conducted by the Moscow Higher Party School. No more than some 30 percent of the polled secretaries believe that the raykoms study the life of the primary party organizations, and show regular interest in items discussed at meetings and buro sessions. In the view of many of them the raykoms do not profoundly analyze the work of the primary organizations. They do not study their resolutions and are poorly informed of the questions which are of interest to the rank-and-file membership. This is a major gap for it is precisely in the local areas, in the labor collectives that our activities on the rayon party level should develop above all. Excessive organization and alienation from hard work remain continue to act as obstructions.

The scale and difficulty of the programs have become a real test, an investigation of the firmness of the elected party aktiv. Today priority is given to qualities, such as conviction, political maturity, ability to defend the party's political platform, competence and skill in working with people. This approach requires a radical restructuring of cadre work and shifting the center of attention to the study of people and their political and practical qualities, and views expressed by party and nonparty members about such people.

The electiveness of managers on all levels is assuming an important role in the democratization of party work. Young and fresh forces are joining the primary party organizations. In the course of the recent accountability and election meetings, the membership of elected authorities was renovated by more than 60 percent. More than one-third of the party leadership has been elected out of more than one candidate. Naturally, this is not a self-seeking purpose. The tasks of perestroika, democratization and acceleration call for paying the closest possible attention to reinforcements and to the creative use of the entire arsenal of ways, means and methods of party work.

The party considers its role as the vanguard of society in not disappointing the people and justifying their political trust through practical steps. The time has come to implement specific tasks. The Moscow communists are fully resolved, as they surmount all obstacles on their way to perestroika and as they interpret and eliminate the reasons for difficulties and failures, to advance the cause of renovation of Soviet society.

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### **The Vanguard Force of Renewal**

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[Text] In the first post-Leninist year, Vladimir Mayakovskiy noticed the marks of an alarming process of "depreciation" of the word "party," the key word of the revolution. The poet spoke of the need "to make it shine

again," and to purge this "greatest possible word" from the gloss of ordinariness. It would be a waste of time to try to guess today whether he foresaw future troubles which distorted the face of the organization of a new type created by Lenin, or an anticipation of forthcoming trends. Actually, whatever it may have been... the last thoughts of Vladimir Ilich himself were concentrated on painful efforts at ensuring proper conditions for the healthy development of the party and its democratization and the creation of guarantees against threatening deformations.

The role of the party, its authority and the people's trust in the party are not only customary political concepts. Today they are a topic of most pointed debates on the future tempestuous development of democratization and glasnost and of the reform of the political system.

The gravity of these problems is mentioned also in a recent letter to *KOMMUNIST*. Viktor Anatolyevich Dubrovskiy, scientific associate from Leningrad, writes: "We must be honest with ourselves and admit that all errors and deviations are not only the difficulty but also the fault of the party. Yet in order to come out of the present situation of permanent failure along virtually all lines, errors must be corrected and as to the guilt, one must repent.... I realize that I have violated an ideological taboo. However, if we are true communists full of Lenin's courage, we must look at reality with open eyes and act accordingly."

This and similar taboos were lifted by perestroika. It was pointed out at the 19th All-Union Party Conference that the party has assumed responsibility for the situation which developed in the country, taken an objective look at its activities and management methods, and deliberately asked for social criticism of itself. Although created as a truly democratic organization, in the past the CPSU failed to prevent deformations of socialism due to the fact that some of them occurred within the party itself, in the nature of its activities and ties with the working people, and the loss of many democratic bolshevik traditions. The critical analysis of the errors of the distant and recent past, carried out on the party's initiative for the past 4 years means, above all, honest and profound self-criticism.

Repentance, however, does not mean in the least rejecting one's ideas, programmatic objectives, and history. It means correcting errors and deformations, and self-cleansing from anything which hinders renovation. The purpose of such criticism and self-criticism is to seek constructive solutions and draw political lessons. That is what makes so important the discussion of the nature of the vanguard role of the party under contemporary conditions, of its place in a society which is renovating itself in the course of the democratization of society and fast politicizing of the masses; of the principles of interaction between the CPSU and the new developing social institutions and associations; and of democratic

control by the people over the activities of party organizations. These problems not simply excite the social consciousness but have become the center of the people's attention, for in the final account it is a question of the fate of the socialist choice made by their country and a test of the firmness of the policy of perestroika as well as the question of achieving a new quality of socialism.

In the state of law which is being created, the entire array of problems related to the activities of the party in the political system of society must become the subject of legal control. However, does this mean that in the past the functions of the party in society and its relations with other political and social institutions did not exist at all or else existed only on the level of "ideological declarations," as is sometimes claimed today? Naturally, no! The Documents of the 8th RKP(b) Congress at which, essentially, first mention was made of the specific experience in the party's leadership of the building of socialism, emphasized that "the party must implement its resolutions through the soviet authorities, within the framework of the Soviet Constitution. The party tries to guide the activities of the soviets but not to replace them" ("KPSS v Rezolyutsiyakh...." [The CPSU in Resolutions], vol 2, p 108).

Was this fundamental principle fully implemented in practice? Practical experience indicates that with the establishment of the administrative-command system and party-state leadership of the country, at best the division of functions remained no more than a prejudiced wish. Furthermore, the concept of the growth of the party's leading role was linked precisely to the preservation and consolidation of such a practice rather than to the political and ideological tasks related to the progress of democracy and socialism.

The course toward perestroika means making a radical turn in the very method of relations between the party and society and between the party and the state. Political leadership and rejection of the old methods of "direct" management, also presume the establishment of a virtually new specific mechanism for the implementation of the political line of the CPSU through the institutions of the Soviet system. "In this case we must fully honor the Leninist principle that the CPSU implements its political course through the party members who work in the state agencies and in all areas of social life," M.S. Gorbachev noted in his report to the 19th Party Conference. "All party organizations must act strictly within the framework of the Constitution of the USSR and Soviet laws. We must stop the adoption of resolutions by party committees which include direct instructions to state and economic authorities and public organizations."

What has been accomplished since the conference on the implementation of this requirement? Above all, the structure and composition of the party apparatus have changed. For example, whereas previous to the October 1988 reorganization, the CPSU Central Committee

apparatus had 20 departments, many of which duplicated the sectorial structures of state management agencies, today it has no more than nine subdivisions with a substantial reduction in the number of personnel (on the eve of the reorganization the Central Committee apparatus had 1,940 senior and 1,275 technical personnel). Above all, the very nature of the work of the apparatus and its style and methods are changing radically; it is subject to the unrestricted control by elected authorities. The party's leadership firmly opposed the creation within the new structure of any kind of subdivisions to deal with practical problems of activities of national economic complexes. It spoke against surreptitious efforts once again to issue direct orders to respective state authorities, i.e., to follow the old and now discredited methods. Restructuring in this same direction is taking place in the local areas as well, although here in some cases and for the time being nothing but statements have been made about changes in functions, while "traditional" economic problems frequently go not to industrial or transportation departments but to organizational departments of gorkoms and raykoms. However, correcting this situation is a matter of time and correct cadre policy and, above all, political will, and persistence in the implementation of the party's resolutions.

Problems of party leadership of the economy were profoundly analyzed at the March 1989 CPSU Central Committee Plenum as well. In the course of the implementation of its new agrarian policy, the contemporary essence of party work and style and methods of activities of party committees must be highlighted. "The task of the party organizations," the plenum noted, "is to guide and not to command, to act through the skillful work with people, to make them realize the need for change, and to strengthen their confidence that they alone can and must determine their own fate. This will be helped also by the resolution of economic problems and will become a further step in the democratic development of Soviet society."

New mutual relations between party organizations and numerous social associations and movements are also being practically developed. In this case as well the party committees rely on the approaches formulated at the 19th Party Conference, which are aimed not at pushing but at cooperation, at unification rather than disintegration and at the consolidation of all social forces which truly favor perestroika. Therefore, a clear lack of understanding of the nature of the resolutions passed at the conference is revealed in statements, such as "the CPSU has firmly refused to help any parallel functioning organization." The party does not refuse to provide aid, support and cooperation. It favors interaction and a dialogue with the social organizations and movements which adequately and flexibly reflect the multiplicity of healthy social, professional, generational and other interests. It remains open to democratic control by the people, by the nonparty members. However, cooperation and dialogue are, naturally, by no means equivalent to



the creation of political structures which oppose the party, as suggested by some people, and which are based on antisocialist ideological platforms.

In this connection, the question arises of the actual content of the concept of "pluralism" in Soviet society at the present transitional and richly confrontational period which Soviet society is experiencing today.

The atmosphere of increasing glasnost and processes of democratization and pluralism of opinions is contributing to the revival of social thinking on an unparalleled scale for the past 3 decades. There are no forbidden topics for broad discussion; there are no taboos on nontraditional approaches to any problem of theory and practice of socialism; the former "monopoly" of final irreversible evaluations and conclusions as a final incidence has disappeared. Everything must be tested through practical experience. People of different professions and age groups and different levels of knowledge and practical experience express different and sometimes conflicting viewpoints on the most important and, one would say, already long resolved problems of social development. Suggestions, solutions and ideas which occasionally strike us with their daring, original and even paradoxical nature, are being extensively discussed and made public.

Is this good or bad? Naturally, it is good. This public opinion, awakened by perestroika, studying all corners of life and all problems of our past, present and future, is both an indicator of and a prerequisite for the civic activeness of the people, which is so greatly necessary in solving the most difficult problems of the renovation of socialism. However, it is not this pragmatic consideration alone that speaks in favor of the further development of glasnost and discussions: the dignity of free thought rests in the fact that it is free. "It is normal," V.G. Korolenko wrote to A.V. Lunacharskiy during the first years of the Soviet system, "for all shades of opinion, even the most extreme and even sometimes unreasonable, to be represented in the country." This was beautifully put! The outstanding Russian writer not only defended the freedom of speech and thought but also reminded us that we should be able to call things by their right names and determine what views are most "extreme" or even simply "unreasonable." Freedom of opinion has natural limits in the guise of universal human demands for truth, goodness, justice and humanism.

The pluralism which is the experienced result of our times made it possible to rediscover the creative potential of the people. It brought into motion the mechanisms of public opinion and involved millions of people in political activities. It distributed in an entirely new way the burden of responsibility for the state of the country. The awakening of the mind from its slumber revived the activeness of the intelligentsia, directing it to look for

alternative solutions and tested forecasts. Already today we can most clearly notice the effectiveness of many ideas which have shifted from discussions to real life.

But let us not ignore the fact that pluralism is occasionally viewed not as a competition among opinions but as an antagonistic confrontation. The more irreconcilable an idea is, when compared to another, the more effectively it is presented to the mass consciousness as being militant, i.e., uncompromising and, therefore, allegedly protected from the errors of the past. Even a superficial study of the style of discussions makes it possible to see a slightly redrafted slogan stereotype: to call upon the masses rather than convince them, to frighten them with problems without solving them, and to oppose rather than act. The paradox of impatience and intolerance has successfully come to us from the old age of single ideas and frozen monolithic agreements. Having remained silent for such a long time, we thoroughly forgot that the word can act not only as a medicine but also as a poison which could numb the person, and cause apathy and intellectual and moral paralysis. We forgot that the struggle for truth does not consist of permanently rejecting all and everything, but that it is primarily constructive. Today we are learning many things all over again, with no previous experience on which to fall back. Pluralism is a school which everyone must attend. This is especially important to those who would like to become teachers. Naturally, errors in the course of this process are inevitable. Nonetheless we must protect ourselves from the most substantial among them.

It is in the course of the clash of ideas that we must, above all, acquire the necessary standard of discussions, the ability not only to speak but also to listen. The truth must not be either thundering or quiet. It can only be the truth, protected by the priority enjoyed by practical experience.

The urge of someone who has remained still for a long time not to walk but to run, not to step but to jump, ignoring the danger of pseudorevolutionary leaps, is understandable. No one will protect us from this unless we protect ourselves. Above all, we must protect ourselves from words which lead to nothing. A great deal of that which we were forced to experience is the direct consequence of our unrestrained wish to outstrip the future. Dreams clearly outstripped reality, and if reality resisted it was crushed, it was being remade to fit one's dream, ignoring the fact that, nonetheless, reality was still reality and the dreams did not acquire flesh.

Naturally, a great deal of our present impatience stems from the lack of experience, experience in responsibility above all. No one climbs aboard a ship in which any one passenger could become the captain and where, suddenly, there may be no one on the bridge. In our discussions, however, we easily imagine ourselves as captains without having gone to a naval school or without any practice in sailing the oceans, assuming that



what matters most is the fact of being afloat, and not checking the course or the depth of the channel but blowing the horn, and the louder the better.

The unaccustomed style of relations has still not eliminated the desire of many people to resort to shouting, threats or simply silencing others instead of arguing. Here as well the gamut of relations ranges from the desire immediately to surrender to the view of one's opponent to unwillingness to hear him out. The immutable fact is that today the old stock of arguments is entirely inadequate. Not only young people are called upon to learn communism but also experienced cadres, for life is a constant test of beliefs, idea-mindedness and sincerity. What to do when original solutions are needed but are not found in obsolete textbooks? The solutions may be found in answering and asking questions thus learning the new language of reciprocal relations, new way of thinking, alien to standardizations.

It is particularly important to bear in mind the intellectual dignity of social discussions, when a given viewpoint is submitted by its supporters as a general theoretical or political concept. In this case strict criteria are both necessary and unavoidable in investigating the intellectual and humanistic value of the formulated suggestions. Ideas, K. Marx said, become a material force when they conquer the masses. It cannot be a matter of indifference to us as to what type of ideas become widespread today, when for the past 4 years there has been a breakdown in the stereotypes of routine thinking while social consciousness has occasionally reached a boiling point. In times of sharp turns we come across instability and even extremism. There are those who, using the perfectly legal universal wish that problems be resolved sooner, submit superficially radical but essentially unsubstantiated solutions. Naturally, in each such case it is important, in the course of free social discussion, to separate appearance from reality and to establish more accurately the scientific and social value of proclaimed concepts. It is only thus that we can be reliably protected from recurrences of arbitrariness and subjectivism, from a nihilistic attitude toward the knowledge, values and experience gained by mankind, and from a phraseology which conceals a scorn for intellectual standards.

The most accurate indication of an unfounded approach to the solution of major social problems is the obvious prevalence of negative assessments, the voicing of general wishes and the making of easy promises as opposed to constructive suggestions. In such cases the fight against unfairness, which is so universally attractive, is not supported by suggestions based on any kind of practical steps aimed at actually strengthening social justice, while the slogan of the struggle against bureaucracy does not become a call for taking constructive practical steps to ensure debureaucratization in different areas and levels of management. Such is, for example, the speculative formulation of the question of the existence in our society of some kind of "new class," consisting of a production-managerial and party apparat, a class

which, allegedly, has usurped the instruments of power and is appropriating for itself all socialist property, a class against which a struggle must be waged for its destruction and against its domination, which should be "overthrown."

Is this the "latest word" in theory? Could one seriously claim this to be some kind of scientific discovery? The question of the "managerial class" was raised several decades ago in the works of Western sociologists. However, as it were, no convincing arguments were found to justify the existence of this "new class." Nor are there any serious arguments in support of it today. How did some journalists develop the aspiration to revive the theoretical and political errors in a new form, and their hysterical search of an "enemy" which, during the period of laying the foundations for socialism, resulted in the greatest possible distortions in social life on all levels, from economics to morality, and caused tremendous harm to the ideas and the cause of socialism? Obviously, the "black and white" stereotypes of the past remain functional in the minds of many. It is quite regrettable that such recurrences of intellectual infantilism, with its aspiration to "simplify" most complex social processes, are hiding behind the very noble slogans of the struggle against the "power of the bureaucracy."

The reader may ask: Has the journal not spoken out against bureaucracy? Yes, it has and will continue to do so. In this case, however, it is a question of something else: a bureaucratic class, the backbone of the administrative-command system, was proclaimed by some authors as being the party itself during the period of perestroika: the party which opened the roads to glasnost and democratization, and which is doing everything possible to restore its Leninist theoretical, ideological and moral appearance.

Here as well, how not to mention Lenin? "The aggravation of the struggle," he wrote in his article 'On the Caricature of Marxism,' "is a meaningless statement by subjectivists who forget that Marxism demands as justification of any slogan a precise analysis of economic reality, political situations and the political significance of that same slogan. It is simple to spell this out, but what to do when one is forced to do it?" (*Poln. Sobr. Soch.* [Complete Collected Works], vol 30, p 118). Singling out as a "new class" the production-administrative apparatus is the result of failure to understand the fact that its personnel are not, in terms of their nature or social purpose, active subjects of social production and, furthermore, that they largely gravitate toward other groups which have their own class characteristics. Managers, strictly speaking (without messengers, typists, and so on) number, according to the USSR State Committee for Statistics, 14,962,000. Nearly 88 percent of them are directly employed at enterprises and organizations (cost accounting will "decide" how many of them are needed, whether more or less). In the course of the development of our society these specialists and economic managers

and members of the technical intelligentsia became largely integrated with the working class or the peasantry and have adopted the interests of the respective social production subdivisions.

The segment of the workers accounting for the management apparatus plays a special role in the economic and political system of society. However, this special role does not indicate a class position in the least. That same "production-management apparatus," which today's "revolutionaries" conceive as a "counterrevolutionary class," and, respectively, as a target of class struggle is, in fact, an important link in the public organism with whose healthy development we should be concerned. In his work "Will the Bolsheviks Retain the State Power?" V.I. Lenin wrote: "In addition to primarily 'oppressive' apparatus of the regular army, the police and the officialdom, the modern state has (it is a question of a bourgeois state, for at that time there was still no socialist state—editor) an apparatus... which performs a great deal of accounting and record keeping work, if one may say so. This apparatus must not and should not be eliminated. It must be removed from the control of the capitalists. Capitalists and their influence must be cut off, removed from it. It must be subordinated to the proletarian soviets. It must be made broader, more comprehensive and belonging to the whole nation. This can be accomplished by relying on the gains already achieved by the biggest capitalism (as, in general, it is only on the basis of such gains that the proletarian revolution can achieve its own objective)" (op. cit., vol 34, p 307).

At this point, let us add, it is a question of making use of all latest scientific achievements so that this apparatus could become, on the one hand, highly professional and be able most efficiently and effectively to process the huge flows of production or other information and, on the other hand, be organically linked to all toiling strata whose activity is in services, is easily accessible to control by the masses and their governmental, social and political representative authorities. Naturally, it is a question not of "a struggle against the apparatus" but of comprehensive rationalization of its work and of the high professional standards of cadres (not only professional but also general, political and legal), and of uprooting any manifestations of red tape and bureaucracy and ensuring a reliable accountability and control system.

The practice of our political reform and the laws which were passed last year, based on the resolutions of the 19th Party Conference, are not simply a "return to Lenin." They are an attempt, having interpreted history, to understand the experience of the early years of statehood of the first years of the Soviet system, and to formulate today the type of structures and mechanisms of supreme and local power, control and justice which would provide reliable guarantees for the democratic development of the country and would truly work for the benefit of the free man.

The debates which preceded the promulgation of these laws clearly reflected the current status of social awareness with its major changes and even shifts from one extreme to another, characteristic of periods of major social change. No other way was possible, for we have been unable to talk about all this for such a long time! It is equally natural that after decades of political lethargy political positions were manifested in ways so unusual to us, such as meetings, protest petitions and even unconstitutional laws passed by high republic authorities. This will have to be suffered through as we create the widespread "many-storied" system of institutions of socialist self-management, which would properly reflect the true variety of social interests. What matters is that, based on our present yardsticks, a sufficiently considered and thought-out system of authorities and their functions and rights has been developed, and a major step has been taken toward democracy.

The question of protecting the political system and, therefore, the destinies of millions of people, from "random" factors and creating a reliable screen against arbitrariness, personal ambitions, violations of the law and scorn for democratic rules and standards, was actively discussed in the course of the debates of the autumn of 1988, echoes of which could be heard in the course of the present electoral campaign as well. It was also a question of making use of historically tested instruments of human civilization, such as the separation of powers, and pluralism not only of opinions but also of political platforms, "checks" and "balances" in parliament and in the government, etc. All of these and other instruments, which had been polished in the course of decades and even centuries, and multiplied by the strength of the political traditions and political standards of citizens raised in a spirit of glasnost, are gains of human civilization and can be successfully used in accordance with our principles, history, national characteristics, economics, culture, traditions and the mentality of peoples inhabiting the USSR.

In this connection, we must mention the question of the multiparty system as being allegedly the main guarantee of democracy in a society. What can be said about this today, in the present historical conditions, at the present stage of perestroika?

It is hardly necessary to prove that it is precisely the CPSU that launched the initiative of perestroika. The party subjected to thorough and sharp criticism both its past and its present, and its method of work and ideological stereotypes. This is an indication that the party had not lost its healthy foundation and that it is able to accomplish a great deal.

Is there an alternative to perestroika in the way suggested by the CPSU? One could imagine only three options in such an alternative: back to "stagnation," back to the policy of the "firm hand," and, finally, back to the pre-October or even pre-February social system in

the country. All three are "back." It is obvious that not one of these choices is acceptable unless we wish totally to discredit the ideals of socialism and lose our great power status.

The objection may be voiced that a "second" party could provide not an "alternative" to perestroika in the least but a different way, shall we say, for the solution of the same problems. What can we answer to this? Do we need a separate party to this effect? All of this can be accomplished within the framework of socialist pluralism and the democratization of society and the power structure.

Mass civic movements are continuing to strengthen, to become better organized and to increase their political influence. The trade unions, the Komsomol and the other social forces, which can act not only as reliable aids to the party but also as a healthy critical force, need a democratic revival. The mass social organizations contain a great potential of energy and it is important for each one of them to increase its practical contribution to perestroika, its specifically both individual and substantial contribution. The line of democratization within the CPSU itself, adopted at the 19th Party Conference, is also of essential significance. The party must undertake to explain and transform life, to rally the people through the power of ideas and arguments, to lead by the strength of its example, to march toward a realistic future and to be where things are most difficult.

Something else which cannot be ignored: under present-day circumstances appeals for a self-seeking development of opposition political parties are nothing other than an attempt to institutionalize confronting forces and to increase political and social tensions in society. It is easy to imagine what this could yield under the conditions, bluntly put, of low political standards, lack of developed democratic institutions and the current economic situation. In general, a multiple-party system is no guarantee of having a democratic political system. Under our present circumstances any artificial creation of alternate political organizations would almost certainly lead to a loss of political stability. Political activeness, combined with intolerance, can easily develop into aggressiveness and extremism. Could we allow ourselves not to think of preserving civil peace in the country? We describe perestroika as a revolution and we have reasons to do so. However, it would be political recklessness, if only that, to call for destruction.

The end objective of political reforms is to ascribe to socialist society a truly humanistic shape, a democratic essence. It is to develop an efficient mechanism for political decision-making, which would express the true will of the people, a mechanism which would reliably protect society from the usurping of power, bureaucratic arbitrariness and political manipulations.

The first stage in the reform of the political system is acquiring a real practical content: by the time this issue of the journal will have reached the readers, the results of

the elections will have become known. It is very important to understand that the nature and content of the subsequent stages of the reform will directly depend on those who will represent us in the Congress of People's Deputies and the USSR Supreme Soviet now, under the new circumstances. In the final account, the establishment of suitable political structures and the proclamation from rostrums and even codifying in laws the new democratic principles are not enough in ensuring the success of democratization. Making maximal use of the new social situation and the activeness of the population, such structures must also be filled with new people free from the burden of the stagnating past, dogmatism and superstitious fear of ideological stereotypes. The current situation in the country favors putting in positions of power, on the basis of the new electoral mechanism, people who are worthy of it, who are independent and people who, in turn, have been able to master the subtleties of politics in the interest of the people.

The electoral campaign clearly indicated that democratization is not a slogan but reality, although old tricks were used as well: even though the law provided for the nomination of an unlimited number of candidates by the electoral districts and public organizations, almost 400 districts nominated a single candidate.

The electoral campaign taught us a great deal but let us particularly note one of its features: this time 85.3 percent of the nominated candidates in the territorial districts were party members, compared to 71.4 percent on the eve of the last elections. Under the conditions of expanding democracy and glasnost and in the absence of the old "quotas," this figure can prove only one thing: in the course of perestroika the trust of the people in the communists has become stronger. One journalist clearly displayed his irritation by bracketing between quotation marks the term leading role of the party.

We see in the views of the electorate a confirmation of the accuracy of the party's course toward the renovation of socialism. However, this also implies a tremendous amount of trust given on credit and it must be justified. Another equally clear fact was confirmed, namely, that the party is truly the most active segment of society, which leads the people to action, and that it is proving through its activities its vanguard role in the process of change.

At the very peak of the Civil War, speaking of the forced limitations imposed on democracy and, above all, about the inequality of electoral rights, V.I. Lenin noted: "We do not apologize in the least for our behavior but name the facts as they are with absolute accuracy. As we point out, our Constitution has been forced to endure such inequality, for our cultural standard is low and because our organization is weak. However, we do not turn this into an ideal but, conversely, in its program the party pledges systematically to work on the elimination of such inequality...." (op. cit., vol 38, p 172). Furthermore, the resolution of the 8th Party Congress stipulated that

democratic rights must be gradually broadened not only from above but also from below, depending on local conditions. "In this matter the initiative must be that of the RKP," the Congress emphasized ("KPSS v Rezolyutsiyakh....," vol 2, p 107).

Yes, initiative in democracy and progress, and in that which serves man contributes to the strengthening of the humanistic and free principles of our life, and must belong to the party. It is precisely thus that the vanguard earns its authority and only thus can the revolutionary perestroika of society and the renovation of socialism be ensured.

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### Reform and the Defense Sectors

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[Article by Aleksandr Sergeyevich Isayev, doctor of technical sciences]

[Text] The restructuring of the economic mechanism must continue so that serious qualitative changes in the economy could be made during the 13th 5-year period. This calls for firmly eliminating established stereotypes and seeking new approaches. The reform cannot ignore the defense sectors which are the most "knowledgeable," technical advanced and capable truly of becoming the locomotive engine of perestroika and providing a powerful impetus to the acceleration of the entire national economy. Naturally, in this case we must take the technological, economic and organizational characteristics of the defense sectors. In our view, we must proceed from the fact that they must leave their imprint on the form but not on the essence of the restructuring of the economic mechanism.

What are these characteristics? Above all, the fact that, as a rule, this sector produces quite complex equipment which must meet strict quality, reliability and durability standards. Its quality is checked by a special apparatus of inspectors working for the customer. The majority of goods produced here are based on state orders. The complexity of the produced items leads to the establishment of numerous intrasectorial and intersectorial relations, which are much more developed than in most civilian industry sectors. There is a constant updating of goods. Finally, these sectors must observe special information rules which impose certain restrictions on their personnel and on processes of exchanging scientific and technical achievements both within the defense complex as well as between defense and civilian sectors.

The defense sectors also produce significant amounts of rapidly increasing volumes of civilian goods, such as airplanes and ships, television sets and tape recorders, refrigerators and baby carriages, and equipment for the light and food industries and agriculture. At the present

time this trend is increasing significantly as a result of the resolutions which were passed on reducing armaments and military expenditures.

The technological facilities of the defense industry are substantially superior to those of the other sectors; here the indicators of production updating and the percentage of advanced equipment are higher as well. However, a number of problems exist with organizing the production process and providing labor incentive, as a result of which the labor and available technical potentials remain underutilized.

As a rule, a greater number of skilled workers and engineers are employed in the defense sectors, for the items produced here are complex and science-intensive. However, in recent years there has been a steady cadre outflow in this area. The reason has been the equalization of wages which, in the past, were substantially higher than in other sectors, the requirements of increased responsibility of the workers for quality work, not compensated in the least by higher wages, and the development of cooperatives. Unquestionably, this process will create additional difficulties which will have no beneficial influence whatsoever on work efficiency in defense enterprises.

Unfortunately, despite the better technological equipment and higher skills of the personnel and a substantial scientific potential, labor productivity, capital returns, power intensiveness and other integral economic indicators in the defense complex are approximately on the level of the national economy as a whole and are substantially below those of industrially developed countries. The only possible conclusion from this is that the type of production relations which have developed in the defense sectors do not ensure the efficient utilization of production forces, and that the stricter and better organized administrative-command management system in those sectors has not brought about high production efficiency.

Therefore, here as well the economic mechanism must be restructured. Economic incentive which would encourage the enterprises steadily to update their goods in accordance with demand, to maintain high technical standards and quality and to lower production costs must be provided.

The general ways of solving the problem in the defense sectors are the same as throughout the rest of the national economy. They are based on the June 1987 CPSU Central Committee Plenum and codified with the Law on the State Enterprise. Some of their mandatory features should be mentioned.

The most important is the existence of multiple customers. So far, the development of the sectors was regulated on the basis of a program-target planning system. In this

case commodity prices played a secondary role and did not act as instruments for the competitive placing of orders; nor did they stimulate the striving for high technical indicators.

Today the situation is changing radically. The state gives the customer a certain amount of budget funds and the customer must distribute his orders among enterprises essentially on a competitive basis, which should ensure both high quality and acceptable prices. However, this is blocked by the fact that the defense industry itself is too specialized and monopolized. Ordinarily a specific item is produced by a single enterprise. This makes competition simply impossible.

Therefore, the demonopolizing of the defense industry is a prime task. This requires the taking of both administrative and economic steps. We must undertake the extensive creation of small and medium-sized independent enterprises operating on a cost accounting basis. Possibly, in the case of monopoly enterprises contractual prices should be forbidden, and allowed only if there are several competitors. Monopoly status leads to the establishment of "technological niches." Thus, it turned out that no single developer or monopoly producer was willing to handle small-sized aircraft. In this area we were seriously behind world standards. It was only the creation of cooperative collectives at several design bureaus that led to the development of good new models, on the basis of competitiveness and competition.

An equally difficult problem is that of customer monopoly. In principle, it could lead to mandatory and very low prices which cannot ensure production profitability. Currently this is quite frequently the case. Under the conditions of the economic reform, the mandatory nature of state orders threatens many enterprises with bankruptcy. If the acceptance of state orders is made voluntary an opportunity would develop for undertaking the production of more profitable goods for other customers. However, this would by no means apply to everything and everyone. Some enterprises can produce defense goods only, and are absolutely unable to escape customer monopoly, which means unavoidable state price controls.

In the defense complex as a whole, as in the entire national economy, profound economic changes aimed at providing incentives for quality work and efficient economic management are extremely important. The familiar principles of the economic reform and its further intensification must be applied in this area as well.

As of 1 January 1989, the defense industry enterprises were converted to full cost accounting and self-financing. The average sectorial projections regarding profits and respective economic incentive funds are encouraging. Most plants, institutes and design bureaus will be able to earn funds sufficient for their normal production and social development.

Nonetheless, the situation proved difficult for a large number of enterprises. For a variety of reasons, even with maximally favorable rates, some of them are unable to avoid losses and, therefore, to acquire the funds they need to solve their problems. Some of them are enterprises which work quite poorly, where labor and equipment are inefficiently used, idling is high, accountability is poor, weak production preparations are made, etc. Most frequently, however, the reason for poor work is the lack of balance between planned assignments and production capabilities and reduced prices which do not reflect true production outlays.

The main way to improve the financial situation of such enterprises is to lift from their activities restrictions which prevent them from making independent decisions in solving internal production and marketing problems. The plans call for allowing such enterprises to make use of any type of wage system within the limit of available funds ignoring the current rates, and ensuring true autonomy in planning, freedom to establish economic relations with suppliers and consumers, and direct participation of enterprises in setting the prices of their goods and expanding the use of contractual prices.

The problems and difficulties which have appeared in this area can be seen quite clearly in the case of the Saratov Aviation Plant. This is a planned-loss enterprise in which most of the output is based on state orders. Here production variety is high and the share of consumer goods produced, as is the case with all enterprises in that sector, is steadily growing, currently accounting for about 22 percent. There is a considerable gap in the gross income per unit of labor outlays by type of commodity (by a factor of 5-6!). The result is the existence of "profitable" and "unprofitable" operations and items. The latter include, in particular, consumer goods and spare parts for aircraft, whereas the main item produced by the plant is the YAK-42 airplane, the current price of which is substantially below production costs.

Several years ago the need for major structural redesigning of that airplane arose. Its series production was temporarily interrupted, as a result of which the plant failed to fulfill its plan for a lengthy period of time. Reducing labor-intensiveness became difficult. This put a heavy burden on the plant. Material incentive and social development funds dropped sharply. There were no funds to meet production and social needs. The draining of cadres, primarily young people, began. Meanwhile, the plan was not amended and the volume of goods planned for output exceeded the possibilities of the enterprise. The fines which were levied worsened its financial situation even further. It became obvious that without development funds, without the possibility of encouraging intensive work and, finally, without a realistic plan, this vicious circle could not be broken.

The study of possible steps to be taken began with prices. The existing price had been set arbitrarily, on the basis of outlays. It was presumed that the cost of the YAK-42

would quickly drop to a level which would make a decent profitability possible. However, the price did not drop. Naturally, one could point out that in 3 to 4 years this would have probably taken place. The situation, however, was such that material outlays left virtually no funds from marketing and wages, not to mention bonuses. The plant would have simply closed down or else it would have required state subsidies which could support it only for a while without, however, making it possible to solve in full its production and social problems.

The following question arose: Was the current price economically justified? In terms of its characteristics, this aircraft today is one of the most advanced of all the models used by the Ministry of Civil Aviation, and is the most profitable.

Estimates indicated that if we proceeded on the basis of equal profitability per unit of plant outlays in terms of operation and manufacturing, the price should be virtually triple the one which had been set. Therefore, the plant was on the verge of bankruptcy because of an improperly set price which was oriented toward the old and unreliable projection of outlays. This was despite the fact that this airplane was competitive on the world market and that the collective of the plant was among the highest skilled in the sector.

The prices of the delivered aircraft had to be revised in order to settle the existing situation. In order for prices to become acceptable to both sides, they must be based on a contractual agreement. In converting to the first or second type of cost accounting, the plant would not be granted such rights and some other forms, such as leasing, should be sought. According to our computations, leasing would make it possible efficiently to stimulate labor and increase its productivity, and drastically to lower production costs, thereby not only meeting domestic demand but also selling its output abroad. It is thus that the idea of leasing or applying the cooperative system to the entire plant appeared. In our study of converting to a leasing system of the Saratov and several other plants, we encountered a number of practical problems related both to their specific areas of work and to the lack of experience and of a foundation on which economic relations could be built. The solution of such problems demanded new approaches. In our view, such approaches could be applied in other economic areas as well. Essentially they pertain to the legal and practical handling of the means of production and enterprise profits.

This problem is further complicated by the fact that so far tens of thousands of legal and predominantly departmental rules control the economic activities of enterprises. Many of them may not be officially conflicting with the new legislation, for which reason they are allowed to "survive," although they clearly exceed the rights of the departments which issued them. I am convinced that relations among enterprises and between

enterprises and the state must be based on equal rights. This does not mean that the state does not have the right to set rules concerning the enterprises. On the contrary, such rules are mandatory, for otherwise it would be impossible to control the economy on a centralized basis. However, the list of regulations which the state has the right to issue should be legislatively stipulated (taxes, requirements concerning quality and technical standards of output, credits, subsidies, restrictions in terms of types of goods produced, the embargo policy, etc.). In engaging in economic relations with the enterprises, the state should act on a voluntary contractual basis.

Currently the right of the enterprises to handle their fixed assets is of a double nature. Thus, whereas the enterprise can deal with its "movable" property (machine tools, equipment, inventory) as it wishes (although it is unclear whether it has the right to sell all of its equipment), the question remains open when it comes to real estate (buildings, installations). Could the enterprise sell the building? And if it could, how to settle the question of the land on which it is located, for the land is not owned by the industrial enterprise and has not even been assigned to it for permanent use (as is the case with kolkhozes), nor is it leased to the enterprise.

Many such questions exist. In order to try to answer them we began with profits. If the profit left at the disposal of the enterprise is owned by the labor collective, the means of production purchased with such funds must, in all likelihood, become not simply a "separate part of the national property" but entirely belong to the collective. In order to enhance labor and innovation incentives, every member of the collective should have the right to a share of their value, based on his full labor contribution. At this point the line separating collective from cooperative forms of ownership would disappear, something which must be clearly substantiated. It would be expedient to refine the rating and the principles governing the functioning of enterprises. We believe that we should have not two-state and cooperative—by three type of enterprises: budget-supported (government), collective and cooperative.

In a budget-supported enterprise all means of production are owned by the state. Workers are hired and paid a wage in accordance with their employment contract. The goods they produce belong to the state and the enterprise markets such goods on behalf of the state and in accordance with its instructions. Since in this case the profit as well belongs to the state, the enterprise is actually a nonprofit enterprise in the cost accounting sense. Complete management of such enterprises is provided by the state through its appointed representatives.

Since in a budget-supported enterprise profit motivations are lacking, it is hardly possible to expect of its collective active efforts to lower production costs or promote marketing. Therefore, this type of enterprise is expedient only for some varieties of goods which, as a rule, involve multiple products, use a steady production

technology and have guaranteed markets. This would apply, for example, to enterprises engaged in the production of munitions, mass produced firearms (gunpowder and cartridge plants are government-owned throughout the world), petroleum refineries (in which there are no by-products), electric power plants, railroad transportation, and so on. Wherever a constant updating of goods and ensuring its competitiveness on the market and wherever a constant study of consumer demand are required, this model is inefficient. In this case (which applies to the majority of defense sectors) the model of a collective enterprise would be expedient.

The property of such an enterprise could be owned by the labor collective or by the state and leased to the collective, or else it could be the joint property of the collective and the state. Such forms of ownership could coexist. For example, the plant buildings may belong to the state and be leased from it; the equipment of some shops could be fully owned by the enterprise collective while that of other may be owned jointly.

Correspondingly, cost accounting income must be divided into two parts. The first is obtained from the use of productive capital and the second from the use of labor. Income from labor goes to the collective while that from assets is divided between the state and the collective in proportion to their share of ownership. The collective's income (labor plus the share of income from assets) is taxed uniformly and, after the tax has been paid to the budget, the rest remains at the full disposal of the labor collective and is not subject to any controls. It is this part that is used to pay for the leased assets.

In practical terms, however, how to convert to such a model? We believe that, based on our studies of the problems in our sector, several ways are possible. One is by the further development of leasing. The collective-lessee earns a profit and the means of production purchased with such profit become the property of the collective. Another one is to give the assets to the collective at no cost (if, as was the case at that same Saratov Plant, the collective had been at work for quite some time and state capital investments were small, one could consider that it had already "worked out" its assets). Finally, the state could buy stock issued by the enterprise and thus become its co-owner.

Under these circumstances, the objectives and means of the government's economic strategy change a great deal. Its most important component becomes continuing and responsive control over the correlation between state and collective ownership.

The collective enterprise must not be administratively subordinated to any management authority. The strategic decisions must be made by the Labor Collective Council, which includes representatives of the state. The council bears full responsibility in the eyes of the law while the collective assumes economic responsibility for the implementation of contractual obligations. The state

could protect its interests at the enterprise either through its representatives in the council or through its taxation and credit policies, or else formulate its requirements in the lease contracts.

One of the most difficult problems in the development of new approaches is defining the principles governing the attitude of the members of the labor collective toward collective ownership. The simplest thing of all would be to grant exclusive collective rights, according to which the collective as a whole is the subject of ownership while its individual members are not. In other words, if a worker retires, is laid-off or moves to another enterprise, he does not have the right to "his own piece of the common pie" and, when hired, he is not required to buy a share of stock. The collective income is distributed strictly in proportion to the labor contribution and not according to the value of the means of production "owed" to the individual worker.

The alternative may be the individual right of the share owner. In such a case, every worker has the right to a share of the value of the collective property and the income is distributed not only on the basis of the labor contribution but also of the share of ownership.

In our view, the difference between a cooperative and a collective enterprise with private ownership rights is merely in the method for its establishment (an enterprise belonging to the state today could be reorganized as a collective enterprise, whereas a cooperative is created in accordance with the wishes of its members).

These principles and approaches were the base for the organization of an experiment at several defense industry enterprises. The intention is to transfer approximately 70 percent of the fixed assets of such enterprises to the collective ownership of their workers, managers, specialists and employees, bearing in mind that the right of ownership and handling the remaining part of the assets is the prerogative of the state, through the respective ministry.

In this case the labor collective is given discretionary rights in using the funds which earned by the enterprise from the sale or lease of equipment, installations, transport facilities, inventory, raw materials and other collectively owned assets.

As the representative of the state, the ministry will set on an annual basis its share of the value of the fixed production capital of the enterprise, bearing in mind possible changes of this share as a result of centralized capital investments.

According to the conditions of the experiment, some 70 percent of the gross income will remain at the disposal of the collective as its labor income while the balance will be divided between it and the state in proportion to their share of ownership of the fixed capital (in the first stage 30 percent will be considered state revenue and 70



percent will go to the collective, after which this ratio will be based on changes in the percentage of ownership). State tax will be withheld, the rates of which will be gradually increased with the increased share of payments for labor as a percentage of the cost accounting income of the labor collective. The structure of the use of the remaining net cost accounting income will be set by the collective. It is important that amortization withholdings for the full restoration of the fixed assets will remain at the complete disposal of the collective.

The wages of workers, managers, specialists and employees, according to the conditions of the experiment, will not be limited by the existing regulations of the USSR State Committee for Labor and the AUCCTU, or by wage and salary rates.

The enterprises which participate in the experiment will not be administratively subordinated to anyone. They will be managed by the Labor Collective Council, which will include a representative of the ministry, with a number of votes proportional to the state share of ownership. The collective will be materially responsible for the implementation of contractual obligations to the extent of the value of the property it owns. The Labor Collective Council will handle the enterprise's funds in this case and will hire the members of the administration on the basis of a labor contract.

The system we have formulated may not be absolutely perfect. So what. Life will reveal its faults and indicate the ways to eliminate them. We are confident of one thing: ownership cannot be anonymous. If the working person begins to identify with it matters will go well. This is the purpose of our present searches.

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### **Economic Protection of Nature**

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[Text] The land is the mother of wealth. This universally known expression which Marx used and which is frequently quoted in literature has assumed a new meaning at the turn of the 21st century. The danger that all efforts of mankind, aimed at improving material life and accumulating material and spiritual wealth could turn into dust and prove to be useless, became obvious. For if a mother lacks strength it cannot give birth. Yet mankind, which has been "fighting" nature for centuries, mounted its offensive against it, "conquering" it and seemed ready to celebrate its victory. The point is how to prevent such victory from becoming Pyrrhic.

Science, not only in our country but throughout the world, is warning us that the ecological systems, which took thousands and millions of years to develop, are undergoing substantial changes and becoming unstable in reacting to external—human—influences, not only on the local but, increasingly, on the global level.

It cannot be said that these questions are new to our country and that no attention had been previously paid to them. Major party and state resolutions were passed on the subject, some successful and some not. Many of them were half steps and others were simply ignored and, at best, considered a pious wish. And although appropriations for environmental protection steps were substantially increased in the 11th and 12th 5-year periods, they were used poorly.

What is the reason for all this? Why is it that the gravity of the problem has not eased, despite the seemingly major efforts made in this respect?

The reason is that the wasteful use of nature is not only the consequence but the prerequisite, the source of existence and, if you wish, the viability of the administrative-command economic management system. Unable to encourage the people's liking for creativity, for the creation and utilization of what is new in science and technology, the administrative system can promote economic growth only extensively, i.e., by involving in public production an increased volume of ever new resources, above all those it extracts from nature. This system can exist only by destroying virtually everything accumulated by previous generations, not only people but anything that lives. It creates a false dilemma: either economic development or preservation of nature. No third choice is possible. In this article we shall try to prove that this dilemma is wrong.

### **I**

In December 1988 the enhancement of fundamental biospheric-ecological research was discussed at the general meeting of the USSR Academy of Sciences. A draft concept of a program for biospheric and ecological studies to be conducted by the academy for the period until the year 2015 was discussed in detail. Despite the full importance and the active nature of the discussion, we must point out that it did not pay adequate attention to the problem of ecologizing the economic development and management of the national economy or, in other words, the conversion from a socioeconomic system which destroyed nature to one which protected it. This is regrettable. One must understand that the most efficient protection of nature is economic. Without that protection, as confirmed by both domestic and global experience, neither the legal mechanisms, however perfect they may be, nor even the power of the public "green" movement, regardless of its noble and mobilizing force, would work. The destruction of nature and the administrative-command system have blended so closely with



each other that probably improving the ecological situation would be the best indicator of our success in dismantling this system.

A planned controlled socialist market is an alternative to the administrative-command economic management system. We emphasize the words "planned-controlled," for as we know, the direct subordination of the processes of the use of nature to the blind play of market forces could result in most fatal consequences. History provides us with a number of proofs of this kind. Suffice it to refer to the experience of the first half of the 20th century, when the uncontrolled growth of industry in the capitalist West resulted in a dangerous increase in the pollution of internal water reservoirs (such as the Great Lakes in the United States). A change in this area came about only as a result of the intervention of the states which applied a broad arsenal of means—economic (taxes, fines), administrative (prohibiting companies from engaging in various activities), and mixed (such as building dams, which could prevent the spawning of fish in some rivers, in addition to payments, the government ordered the companies to build at the estuaries of those same rivers fish breeding farms). We must develop our own tools for the economic protection of nature, making use, naturally, of global experience.

A real and effective economic protection of nature is possible only with the development of a full and not limited or, more accurately, fictitious cost accounting in all economic units. The process of converting production collectives to full cost accounting, as we know, has currently entered a new stage. However, we must realize that neither the first nor the second model of cost accounting, nor even leasing can solve the problems, for they apply only to the low primary level—enterprises and associations—and leave virtually unaffected the upper echelons on which the quality of the use of nature depends to a great extent. Therefore, the formulation of means for the economic protection of nature is inseparable from the restructuring of the entire system of economic relations and the reinterpretation of the very concept of centralism in the management of public production, as centralism in managing (regulating) the socialist market.

Is the solution of this problem possible? Do we have adequate scientific backing which would ensure such perestroika? Naturally, it would be controversial to answer such questions most firmly: yes, this is possible, and yes, we do. Recently LITERATURNAYA GAZETA published an appeal by writers addressed to the USSR Academy of Sciences. We fully share the concern they expressed for the fate of our nature. But let us bear in mind that some economists in the 1960s and subsequently have also repeatedly spoken out in defense of nature. For example, the first laboratory in the country on the economics of the use of nature was set up at the TsEMI. Furthermore, it was here that the

idea developed of formulating the comprehensive program for scientific and technical progress, a major part of which has to do with the use of nature and environmental protection.

A great deal has been accomplished but by no means has any new development been accepted by the planning and economic authorities with enthusiasm; most frequently, it was entangled in long years of red tape, involving the formulation of recommendations and draft methods. There have been open clashes as well. The reason for all of this has been that such projects call for paying for resources, which clashed with the canons of political economy according to which natural resources were to be used free of charge, this being an inviolable law of socialism.

We shall go back to the question of paying for resources. At this point we would like, incidentally, to draw a very important general conclusion: we must have greater faith in science. It is not the scientist who obediently comments on decisions already made and who approves of dogmas (although popularization is also something useful) that is more useful, but the scientist who tries to bring something new into science regardless of quotations or various authorities. It is not the one who agrees but the one who criticizes—even if he may be wrong in something or other—who is more useful, for a fresh and fearless view on things is a much better guarantee against major errors than looking at things through rose-tinted glasses or with the eyes of the dogmatist.

## II

A new idea in science, which was sounded as early as the end of the 1950s and beginning of the 1960s, was the demand for an economic assessment of all resources without exception, used in public production, as an inseparable part and prerequisite for the formulation of the optimal plan. From the mathematical viewpoint, this idea comes close to the concept of linear programming (or optimal programming, in general), according to which all factors involved in the production process should be rated according to their contribution to increasing the criterion of optimality of the economic system considered in a given problem. The category of optimal or objectively based assessments was introduced in the science of economics by Academician L.V. Kantorovich, who was awarded the Nobel Prize for economics. It is one of the highest achievements in the economic-mathematical area of Soviet economics. It was precisely this that forced the scientists to reinterpret the problem of the monetary assessment of natural resources.

As we know, a system of monetary evaluations (prices) for different production resources and consumer goods is applied in the country. However, this does not apply to natural resources. Naturally, we must acknowledge the exceptional complexity of natural resources as objects of evaluation. Nonetheless, this is not the main thing. The main thing is the lack of understanding of the danger of

the "free" use of natural resources and the importance itself of rationalizing the use of nature as a factor for upgrading public production efficiency and improving the quality of human life (incidentally, for a long time any discussion of the concept of the quality of life was forbidden). Some 20 years of sharp ideological struggle had to pass to abolish the prejudice which predominated among political economists and the managers of planning and economic authorities they had "trained," against the accuracy of the very formulation of the question of such an assessment. It was only in 1972 that the scientists were assigned to undertake the practical evaluation of resources.

To this day, however, not everyone is convinced of the need for such work which is being done on an entirely inadequate scale, although from the theoretical and methodical viewpoint progress has been quite substantial.

In practical terms, we are probably the only country in the world in which natural resources are used free of charge or for a symbolic price, and in which the national wealth is still being computed on the basis of the bashful stipulation of the State Committee for Statistics: "Excluding the value of the land, ground and timber."

The following figures are worth thinking about: today the enterprises have productive capital—buildings, equipment, machines, installations, and so on—worth about 2 trillion rubles, on which 140 to 160 billion rubles annually are withheld for amortizations and payments for assets. Yet for all types of natural resources enterprises pay no more than 8-9 billion rubles annually, despite the fact that the value of farmland alone, according to current rates (when such land is removed from agricultural circulation) is about 5 trillion rubles. What kind of economic incentives for the conservation of natural resources could there be a question of if payments for the use of timber account today on an average for roughly 1 ruble per hectare of timberland; payments for surface and ground waters is 1 kopek per cubic meter of used water; meanwhile, agricultural and urban land, water for irrigation, and the use of the environment in dumping harmful waste are today free of charge to enterprises.

We believe that such facts clearly reveal the true attitude of the administrative-command system toward nature.

If payment for the use of nature is applied and made consistent with the actual national economic significance of natural resources, which are several hundred percent higher than the worth of man-made resources, cost accounting would turn from the worst enemy to the main defender of nature. Such is the essence of the matter under discussion.

Actually, with the obsolete yet nonetheless still applied economic management system, funds at the disposal of the enterprises are not its own or, at least, not exclusively its own. On any given day the ministry can appropriate

the profit of a successfully working collective and use it to support a lagging enterprise which may be experiencing financial difficulties (to this day, although with somewhat greater difficulty, such actions are taking place by using a variety of rate manipulations. This is no secret). Furthermore, both the financial and the local authorities do not perceive very clearly the distinction between the funds of an enterprise and those of the state budget. The introduction of full cost accounting changes matters thoroughly. Now the enterprises try to make such distinctions much more clear. They oppose mixing their funds with those of others. Whereas in the past one could tolerate the lack of solution of the problem of what should the enterprise be paying for and what should be given to it for free, today the faultiness of the existing order is becoming increasingly clear. This particularly applies to natural resources. Under circumstances in which the enterprise pays for raw and other materials, purchases machine tools and equipment and pays worker wages, dangerous distortions are possible. We shall prove this by taking the example of water, which is a most important natural resource. Let us imagine that a chemical plant could produce an additional ton of a given product but that this would require an additional use of a number of cubic meters of water. Would this stop the enterprise's management? Hardly, for the price of the water, as we pointed out, is symbolic. But if this cost is properly assessed and the corresponding payment is collected, quite possibly the project would appear worthless: the profit from the product would be literally washed away. Therefore, it would become necessary either to abandon such production or seek a different, less water intensive technological process.

It is precisely such free use that leads to the predatory use of the water and to irrecoverable losses in industry, which are fatal to any proper irrigation methods. That is the reason for phenomena which are inspiring today the public in the country to struggle for saving the rivers and lakes and to oppose the destructive activities of ministries.

The absence or the symbolically low level of payments for resources has a no less pernicious influence on the use of mineral wealth. Inevitably, this leads to its incomplete use, concentrated only on the extraction of the "target" product such as, for example, iron ore, and discarding and dumping everything else such as gravel in strip mining or particularly valuable elements in the extraction of polymetallic ores.

Unquestionably, problems of the assessment of natural resources, particularly those involving payment for their utilization, are quite complex. Science cannot claim that here everything is clear. However, as we mentioned, progress in this matter is obvious and it would be even more tangible without the opposition of the administrative system. It is clear that this is the most important and most effective instrument for the economic protection of natural resources, for the development and application of which one should spare neither efforts nor funds.

### III

The concept of a socialist differentiated rental payment is a unified theoretical-methodological base for the economic rating of all types of natural resources. Under our circumstances, the differentiated rental payment is a yardstick in determining the contribution made by a given resource to public production efficiency, which, precisely, is what makes possible its use as a base in the assessment of natural resources. However, in order to fulfill such a role, the evaluation must be based not on the actual contribution of the resource to the differentiated payment but the differentiated payment which would be based on an optimal regime of use of the resource. The importance of observing the principle of optimality, i.e., the orientation toward maximally possible long-term results, could be described by taking as an example the assessment of farmland expropriated for construction. The optimal evaluation indicates not the actual (which is occasionally low and unsatisfactory) return from such a plot of land but the potential, that which such land could yield as a result of efficient farming. In particular, in expropriating farmland (in cases of flooding) it would be erroneous to proceed from what such land is currently yielding. In flooding we lose forever precisely its potential and not its present low productivity. Consequently, in assessing the land on the basis of the actual efficiency of its exploitation, the absolute lowering of the value of natural resources is virtually inevitable. In this case there is also a gross distortion of the correlation among the values of the individual land areas, which leads to major economic errors in planning and building construction projects.

At the present time we can measure outlays for environmental protection and conservation measures and for repairing any damages caused to nature (such as the recultivation of the soil after strip mining for minerals) with greater or lesser accuracy. However, in the majority of cases, we are unable to determine the results. The possibility of accomplishing this and, consequently, the possibility of achieving a true efficiency in such work appears only with the evaluation of natural resources. Under these circumstances, income from such activities would become as economically tangible as expenditures. Need we explain how important this is in order to establish a real rather than fictitious cost accounting in sectors involved in the exploitation of natural resources?

Furthermore, evaluations (monetary and not in terms of rating points, etc.) could answer the following question: What are the economically justified outlays on saving one resource or another in public production? For we know that thrift requires funds: if it is a question of economy in the use of electric power, for example, funds are needed to develop power conservation technologies, equipment, reconstruction of grids, and so on. If the task is to reduce water outlays, the question may arise of redesigning irrigation canals and pipe lines, applying new irrigation methods and developing instruments for measuring water use. All of this as well is expensive. The

precise answer to whether it is worth doing it can be obtained only through the scientific economic evaluations of conserved resources.

This, however, is only one-half of the problem. Knowledge of the actual cost of one decision or another is in itself not an incentive for its adoption or rejection. In this case neither a high degree of consciousness (despite its importance) nor any administrative order (which, unfortunately, is usually quite easy to circumvent and stop, as an innumerable number of examples prove) can help. The only incentive is economic interest. Therefore, acknowledging the need and possibility of an economic evaluation of natural resources should be supplemented by an equally decisive acknowledgment of the need for paying for the use of nature. Payments for resources must be based on evaluations. That is the right way. The rates are charged to the user or, better, to the person who leases such resources from their owner, the people (this alone proves the "recipient" of the payment: not a department or a ministry, but the state and the local budget). It is a question of setting a real and full price for natural resources not only in planning and computation estimates but in cost accounting relations as well. At this point, however, along this "second line of defense," the administrative system is fighting to death.

As early as the end of the 1970s and the first half of the 1980s a method was drafted for the economic evaluation of the most important types of natural resources in CEMA member countries, a method for determining the economic efficiency of environmental protection measures and for assessing the economic harm caused by environmental pollution, methods for the economic evaluation of mineral deposits, the development of wasteless or low-waste technologies, and others. Detailed rates, by national territory, were developed for the monetary assessment of farmland. All of them were approved in one way or another by the respective superior departments (approved, ratified as provisional, etc.) and their use was extensively undertaken in various planning and design computations. In all cases, however, the conditions set were that they should not be used in price setting, and that they should not affect the existing financial relations within the national economy. It was thus that the administrative-command system stalemated all attempts at ecologizing economic interests and creating a favorable economic climate for the conservation of nature.

The problem is that for a long time our political economy did not acknowledge the link between the limited nature of natural resources and their cost. Correspondingly, the price-setting practices ignored the rental component of prices. Therefore, prices of extracted raw materials and fuel were arbitrarily lowered. Such a reduction is, actually, similar to fraud: it compensated for the inability of the administrative system to ensure a true reduction of prices in the national economy based on scientific and technical progress and increased social labor productivity. It was no accident that the main

argument against the suggestion of including a rental payment in the price of fuel and raw materials was the claim that it would allegedly bring about an overall price increase.

However, examples may be cited of the result of any artificial price reduction. Under the current wholesale prices the application of many ways of increasing returns on oil bearing strata, used in world practices, becomes unprofitable. This means losses to the national economy in the billions of rubles. The comprehensive use of the Sokolovsko-Sarbay-skoye deposits, which contain not only iron but also nickel, copper, zinc and sulfur, is inefficient in assessing the additional output on the basis of wholesale prices (the recovery of capital investments would exceed 30 years). We are forced to go elsewhere to extract such elements which are so necessary to the national economy (while here they are being dumped!), which means that the land, nature, loses.... If we were to assess the possible output of the Sokolovsko-Sarbay-skoye deposits at prices which would include the differential payments, the annual economic results of the use of such ores would reach 7.5 million rubles.

Let us add to this that differentiated payments are a mandatory component of global prices of fuel, energy and raw materials. Ignoring such payments disorganizes our foreign trade, distorts the development ratios of extracting sectors and, unquestionably, is one of the most important obstacles to the solution of the pressing problem of having a convertible ruble. All of this harms the country's economy. However, an even more important circumstance supported by these examples is the following: the existing price levels of the output of the extracting sectors stimulate waste, force us to open addition areas to ore and coal mining, harm the land, cover areas with rock dumps, open new mines, occasionally disturb hydrological conditions surrounding them, and so on, and so forth. Consequently, the full consideration of differential prices is necessary.

Does this mean that we are dooming ourselves to having an overall price increase in the national economy? It does not. Estimates indicate that the possibility exists, by increasing wholesale prices in the extracting sectors and agriculture and lowering the clearly excessive wholesale prices of the processing industry goods, to retain the current price level. Naturally, this problem can be solved by considerably reducing demand for the output of the extracting sectors and lowering the nature-intensiveness of public production. However, in this case the impetus should come precisely from the rejection of artificially lowered prices of fuels and raw materials, excluding rental payments, and the introduction of corresponding rental payments for the use of natural resources.

Some of our readers may think that we are trying to break a door which is already open, for such payments are already clearly stipulated in the USSR Law On the State Enterprise (Association)! Alas, no more than a crack has been made in the door: the new wholesale

prices drafted by the State Committee for Prices, retain the old outlay principle of paying for the use of natural resources: they are based on expenditures for the survey of minerals and the management of forestry and other similar outlay indicators, rather than the efficiency with which resources are conserved, i.e., their rental assessment. With the projected wholesale prices it will become possible, as a rule, to make only symbolic payments for the land and timber and water resources. As in the past, the rental income will be redistributed within the sector (virtually bypassing the budget) for purposes of financial support of enterprises operating under "adverse" natural conditions and at the expense of the income of enterprises operating under "good" conditions. In this case the respective ministry, with its usual policy of "something for everyone" will act as the umpire. High rental payments—more than 20 billion rubles per year—will be paid, according to the planned wholesale prices, only by enterprises in the petroleum and gas industries. However, these payments as well will actually not be payments for natural resources, for they will be based on the extracted fuel and not on the exhaustion of ground fuel resources. Therefore, their stimulating value in terms of conservation will be nil.

The question of payments for natural resources assumes a new meaning with the establishment of a socialist market. The immediate danger exists that even the most detailed methods will not help us make optimal evaluations of resources and, consequently, of rental payments if we ignore the developing market relations which balance supply and demand, whether this applies to the natural resources themselves or the goods produced on their basis.

We believe that the rates for the cash valuation of natural resources and payments for them, based on centralized methods, could be used only as a starting guideline, as a "basic price" of the corresponding resource. In order to establish the real price we must organize, on a competitive basis, a procedure for bidding for the right to use a given resource owned by the state, represented by its agencies—the soviets of people's deputies. Let us emphasize that it is a question of paying precisely for the ownership and not the utilization of natural resources. It is only the owner of the natural resources and not their users who can be truly interested in their conservation.

Awarding possession of the land should be based on the principles of glasnost (all potential owners must be informed of ground and other characteristics) and democracy (priority will be given to those who pledge to use the land efficiently and thriftily, i.e., who would agree to make higher payments for land ownership).

#### IV

More than a century ago Marx singled out four major areas of material production: extracting industry, agriculture, processing industry and transportation. Today we could rightly speak of a fifth area: the "reproduction

of natural resources." Already now the cost of preserving and improving natural resources is raising faster than overall capital investments and the national income, and consuming a growing share of the economic potential of the country. Similar processes are taking place in virtually all countries.

We are sometimes told that this is nothing but the inevitable retribution of nature for the way we have damaged it (as a humorist said, "we should not expect any kindness on the part of nature after what we have done to it"). This view, however, is wrong. By investing more funds in environmental protection and in upgrading the fertility of the soil and the quality of the water and purity of the air, mankind creates conditions for the acceleration of its development. The national economic significance of the efficient utilization of nature increases not only from the viewpoint of outlays but also of returns on such outlays, benefiting the entire society. Hence the most important problem arises of formulating a long-term strategy for the development of the fifth area or, which is one and the same, for ecologizing the structure of the national economy (sectorial, technological, territorial) in such a way as to ensure a radical drop in the nature-intensiveness of public production and, at the same time, substantially improving the habitat.

Administrative-command economic management turned our economy into a "self-consuming," into an irrational system which maximizes the scale of the extraction and waste of natural resources with very weak restrictions on the present and, particularly, the future well-being of the nation. In order to surmount this monstrous "optimizing of self-consumption" basic research is needed for the regulatory, i.e., the optimizing forecast of the development of the ecological, social and economic systems.

As a rule, contemporary forecasts concentrate on evaluating the needs and possible volumes of output of material goods over a certain period of time. In order to achieve such volumes we forecast the technical standard of output and the pace at which new and most efficient technologies will develop and enable us to achieve the planned output of material goods at a lower cost. At the same time (or ahead of time) demographic forecasts are being made enabling us to correct the anticipated volumes of material goods and scales of output. Naturally, other individual forecasts are formulated to meet various needs. However, those we named are the basic elements in the contemporary system of macroeconomic forecasting. In the contemporary ecological situation they are a necessary but an entirely inadequate prerequisite for the scientifically founded projection of the socioeconomic development of society.

Currently the functioning of the ecological-social and economic systems, with the close interaction among their components, must become a target of forecasting. Bearing in mind that the condition of the environment today decisively depends on the scale and nature of

economic activities, we must above all project the possible ecological consequences of economic growth. As was emphasized at the March 1989 CPSU Central Committee Plenum, it must be a question of the scientific substantiation and comprehensive consideration of each economic decision.

It would be naive and harmful to assume that coming out of the "ecological spin" could be painless and "free of charge" to the national economy. Scientific and technical progress can and must reduce the cost of "coming out of the spin." Such a cost must be known, however, and, furthermore, planned.

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### Dialectics of Humanism

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[Article by Aleksandr Sergeyevich Panarin, leading scientific associate of the USSR Academy of Sciences Institute of Philosophy, candidate of philosophical sciences]

[Text] Many of the difficulties encountered by perestroika are due, not least, to the insufficient identification of its conceptual, ideological and value prerequisites. The dead are clutching at the living; the forces of obstruction, having no historical future, are being used as an ideological legacy of a more or less integral (although thoroughly obsolete and dogmatic) concept, whereas the forces of perestroika have still not developed such a concept. Politically to identify the forces of renovation, on the one hand, and those of obstruction, on the other, is not enough. An equally important distinction must be made within the value system itself. The problem of the new social ideals, under conditions in which the old ones have proved to be clearly depreciated, is becoming extremely pressing. For the time being, it remains unsolved. However, this precisely is the sensitive nerve of perestroika and its basic philosophical question.

Does perestroika mean merely a return to some of the "primary" values of socialism, which were subsequently distorted and confused, or is it a question of something more, of an essential reinterpretation of the socialist ideal itself, as formulated by the Marxist-Leninist classics and bequeathed to us?

We have become accustomed to relate our shortcomings to the shortage of funds. It is time, I believe, to relate them to the inertia of objectives which have not been reviewed for a long time. The deformations of socialism during the time of the cult of personality and the period of stagnation unquestionably have their spiritual origins. But what precisely was it that played the fatal role in this case: Was it the distortion of the ideals of scientific socialism or, more broadly, of communist humanism in

a backward peasant country such as Russia during the first revolutionary years, or was it the inner contradictory nature of the ideals themselves? In the former case, our perestroika would look like a kind of "spiritual restoration" of revolutionary values; in the second, as a reinterpretation of the ways of development of civilization and the place and role of socialism within it. It is impossible to determine the specific spiritual system which encompasses the true makers of perestroika without an answer to this latter question: Does it require a strict "orthodox" approach or does it require a substantial contribution by its promoters, and if so, what kind precisely? We are helped in answering this question by the concept of new political thinking, which is the overall world conceptual guideline of perestroika. This concept is correlated not only with the reform in the foreign policy course of our country. It is equally important to determine its nature as the ideological-theoretical foundation of the profound internal changes occurring in all areas of social life.

We justifiably relate the task of perestroika to the humanizing of our development and of progress, in the broad meaning of the term. A closer consideration, however, shows that the values and concepts of humanism themselves need a substantial reinterpretation.

The correlation between humanism and progress is of a historical nature. Contradictions within progress are not only the result of its "misunderstanding" with humanism but also a reflection of the contradiction of humanism itself, its historical dialectics. The road to hell, as we know, is paved with good intentions. Many of the most dangerous deformations in contemporary sociopolitical and scientific and technical progress are the result of the "boomerang effect" with which, under certain sociohistorical conditions the good intentions of humanism are fraught.

Practical experience shows that the pace at which mankind is sliding toward nuclear, ecological and other forms of global catastrophe is outstripping the time needed for formative changes: in order to prevent an apocalypse mankind must act immediately and jointly, ignoring existing differences in production methods and deep sociopolitical divisions. It is apparent that both sides in our divided world must change spiritually and intellectually, in the spirit of the priorities and values of the new thinking.

Along with the general material history of civilization, we also have its general spiritual, its ideological history, which has its intrinsic value. Spiritual formations—ideology, science, art and other manifestations of the collective expectations of the people—are not only a reflection of reality. They also are projects of social action which frequently harness the energy of millions of people. The trend which Marx discovered of the increased role of the subjective factor in history intensifies the influence of various collective projects on social life and the fate of civilization.

History is made by people. It is from this unquestionable stipulation that, just as unquestionably, stems the conclusion that the objectives, values, motivations and plans of the people are not only of spiritual but also of practical historical significance: they act as alternate choices in social practice. Whereas science has become a factor which predetermines the accelerated changes in the material environment of civilization, ideological doctrines, aimed at the mass awareness and its conquest are increasingly clearly manifesting themselves as a power which changes the social and spiritual environment and the world of man in the strict meaning of the word. This is an old truth which, however, had been thoroughly suppressed by the supporters of the "single-variant" approach to the historical process. Actually, one of the most important presumptions of the "perestroika-style thinking" precisely consists of understanding the fact that changes in the way of thinking and the system of values are not localized in the superstructural area. They influence social practice, the renovation of which requires new thinking. Perestroika can be acknowledged only within the context of the type of philosophy of history which proceeds from the fact that historical reality is quite flexible and that what has been erected can be changed on the basis of new approaches, ideas and plans. In this connection, the study of a long-term project such as the humanism of our new times, which is the starting point of Marxism, is of particular interest in this connection.

In Marxist history the motif of critique of "abstract humanism" has played an important role. Actually, nothing has irritated the proletarian revolutionaries more than the sterility of a moralizing humanism incapable of solving the problem of pitting what should be against what is, and which is sliding down the path of helpless moralizing and preaching. A conversion from abstract and helpless humanism to a specific and active one is achieved by combining the two types of revolutionary changes: scientific and technical progress, which allows man to control the natural forces, and the social revolution, the purpose of which is to eliminate the uncontrolled and unstreamlined nature of social development and to establish social equality and justice.

#### Humanism and the Impasses of Technical Progress

In our time, under the influence of the threat of technocracy, it is accepted to pit humanism against technicism, indicating with such terms, respectively, activities oriented toward man, on the one hand, and activities exclusively oriented toward technical-production indicators and criteria, on the other.

On the level of the general transition from abstract to active and effective humanism, such pitting appears superficial, something which is detected in the study of the type of motivations which were at the foundations of the Renaissance leap in science. The scientists and philosophers of the Renaissance would have probably rejected this contemporary pitting of anthropocentrism

against technocentrism, for they accurately viewed scientific knowledge as humanistic gain, as giving man a powerful instrument of domination over nature. The religious "crime" committed by Galileo, who inaugurated the scientific and technical epic of mankind, was a Promethean act: it encroached upon the secrets of nature (and, in the future, who knows, perhaps also on its fate) on behalf of man. Today, however, against the background of aggravated global problems, the bearers of such knowledge themselves are reaching the conclusion that a deep inadequacy in terms of the picture of the world has developed within the technical sciences, from which they draw the conclusion of the "inadequacy" of industrial technologies developed by science, alien to the living integrity of nature. The mechanical, physical and chemical picture of the world are fragments of reality on the basis of which science structures its overall instrumental models which are by no means suitable in providing an overall image of nature but which can become instruments for a rude technological influence on the environment.

In a word, the traditional scientific and technological approach is not objective in the least, as is assumed within the framework of the dilemma of scientism versus antiscentism, but is subjective and arbitrary: it reflects the impatient aspiration of man to dominate nature before a systematic, a comprehensive knowledge of nature has been obtained. Armed with fragmentary scientific and technical knowledge but still unfamiliar with the system of the integral nature of the world around him, man seems to be taking an advance from nature without as yet knowing the true cost of what he has bought. The "technological man" behaves like a gambler who keeps raising the stakes, trying not to think of how to pay for his wagers. In the light of the arising ecological catastrophe it is becoming clear that the existing technological means of existence means a life owing a steady and ever increasing loan borrowed from nature, the on of which is growing. Payment here was shifted to the future generations until it suddenly became clear that it is our generation that happens to be the last generation which must either perish or repay the accumulated ecological debts.

It is true that somewhere along the periphery of contemporary science-oriented culture a variant of the old technological enthusiasm has been retained, whose roots may be traced to the nature-philosophy of the Renaissance: the expectation of an eminent cosmic diaspora of mankind which would abandon a dirty and poisoned earth in search of new worlds. However, common sense proves to be stronger than technological utopia and indicates that if man has managed so poorly with his own habitat chances that he would survive and settle in alien worlds are absolutely nil. As a result, global studies go back to the geocentric picture of the world: the earth is our only home and the fate of mankind is entirely dependent on the prospects for its preservation.

It is this geocentrism that is the nature-philosophical base of the "green" ideology which presumes, as a

solution, a conversion from "hard" to "soft" industrial technologies: the use of the energy of the sun, water and wind. It is only under such circumstances that, allegedly, man could become part of the complex yet brittle system of natural geobiocenoses or, in other words, surmount the arrogance of anthropocentrism, based on a special ethic of challenge and of opposition to nature and, once again, become its "apprentice."

The first question which arises here is the following: Has that same "natural environment" been preserved or is the fate of nature already inseparably related to the fate of a technical civilization and the alternatives within it? The second and no less important one is the following: Could ecologically "soft" technologies prove to be socially too hard: would returning to them indicate that we are condemning most of mankind for which "soft" technologies may prove incapable of ensuring its means of survival?

The antinomy of ecological softness and social hardness is one of the most complex, perhaps the most complex one in the entire history of mankind. If industrially rigid technologies are ontologically "illegal" while the ecological ones are, in the final account, without a future, does this not mean that most of the people living today live "illegally" and that, in particular, the contemporary demographic explosion in the third world is a demographic "adventure," inseparable from the technological adventure of mankind?

It turns out that if the apocalyptic prospect in the developed countries is related to the abusive use of technology, nuclear in particular, the threat (death from hunger and disease) to the population in the developing countries is related, conversely, to their technical underdevelopment. Some complain of surplus technology while others of its lack; some like the present but fear the future whereas others find the present itself unbearable, for it dooms them to cruel material privation. What matters most, however, is that despite the entire difference of problems and opposite motivations they are both linked to the same destiny.

Historical experience indicates that the existence of such antinomies in culture and in human life itself proves the exhaustion of the older methods of existence and ways of orienting man in the world, as well as the existence of a global "crisis in the picture of the world" and the In our view, mankind is entering the age of a new Reformation, which should be the peak of the destiny of humanism and, therefore, that of mankind. The humanistic standards developed by civilization and the acquired values cannot be rejected. However, they must be reinterpreted and given new sociocultural and ontological contexts.

On the one hand, scientific and technical progress is a legitimate stage in the development of human civilization, which is the necessary material foundation for humanism. Without it, humanism would inevitably degenerate into recitations and rhetoric, into something



strictly decorative which would not affect the material conditions of life of the masses. On the other hand, however, in the light of contemporary experience, it is equally unquestionable that in the broad ecological sense the existing form of progress is an arbitrary violence committed against nature, a variety of destructive utopia which is achieved at the cost of a dangerous deformation of profound and perhaps invariant structures of life with which no one has the right to experiment.

The age of the Renaissance linked the fate of the world to that of man, and all subsequent attempts to separate them proved futile. However, the enthusiasm of the Renaissance essentially suffered from anthropocentrism: it presumed different periods of development of the world and of man: it presumed that man would pull himself out of poverty without devastating the stores of nature and to purchase his well-being at a low cost. It has now been established that a "small sacrifice" was inadequate and that human well-being requires of nature greater and, possibly, simply impossible sacrifices. The life span of man and the life span of nature are becoming similar: it is quite likely that the future of nature is being decided once and for all right now. Experts have universally acknowledged that if the developing countries were to reach the current level of the power-labor ratio attained by the United States, the result would be a total ecological catastrophe. "...The expansion of the global economy," M.S. Gorbachev pointed out, "reveals contradictions and the limits of industrialization of the traditional type. Its further expansion "in width and depth leads to ecological catastrophe." This requires not only a revision of the ways and means of industrial growth but also the reinterpretation of its objectives.

Obviously, the historically established form of humanism and the concept of justice stemming from it are justifiably based on a certain philosophical picture of the world: on the presumption of the endlessness of resources at the disposal of civilization and the infinite advancement of progress with no space and time restrictions. Looked at it this way, the past and the present are of no particular value. They constitute a small vanishing value compared to the infinite future. In that case, contemporary man (his ethics and psychology) remind us of the poor revolutionary proletariat: essentially, it has nothing to lose at present and nothing to value from the past and is to receive everything in the "shining future."

If we were to proceed from the existence of immutable ecological limitations in industrial transforming activities, the correlation between the past and the future changes substantially: past and present turn out as important as the future. In that case, today man is "rich:" he has something to lose. Furthermore, his losses may prove nonrecoverable. In the context of this picture of the world, humanism is related not only to the prospects of the future but also to the preservation of what already exists.

It is precisely this form of humanism that is represented by contemporary general democratic movements: the antiwar, which is in the defense of peace and the right to life; the ecological, which defends the environment; the territorial, which defends regional autonomy; the ethnic, which defends national culture, and so on. The participants in such movements do not consider themselves "proletarians which have nothing to lose." Conversely, they behave like people who have something to protect and defend. Therefore, their attitude toward the future is free from euphoria: they link to it the possibility not only of acquisition but also of loss and are arming themselves with the method of an alternate approach.

As we may see, from the general evolutionary and ecological viewpoints, the existing form of humanism with its anthropocentric concepts is guilty of subjectivism and arbitrariness: in this case the sentimental attitude toward man and toward the services offered by nature includes, as an inevitable addition, a strictly utilitarian and pragmatic-coercive attitude toward the environment, which threatens to undermine the foundations of life on earth and, with them, the foundations of humanism itself.

The ecological challenge of our time is, unquestionably, also a challenge to the humanism of the renaissance, the heirs of which all of us are. In particular, we must ecologize humanism, which is possible only on the basis of surmounting anthropocentric concepts: humanism must be centered not on man per se (i.e., an ecologically abstract individual) but on human life in the world, man in a state of unity with his environment.

For a long time progress was linked to implementing the Promethean concepts of the total remaking of the world. Man asserted himself by systematically overcoming external obstacles and limitations, and broadening the areas of what was acceptable and permissible. The mentality and morality we inherited were developed largely under the influence of this general concept. Now, when the tremendous power of industrial and social technologies which man created has become apparent, and which neither the natural nor the historical environment can properly oppose, and when it has turned out that man "can do virtually anything," the main problem has become to find an *inner measure*, and spiritual and value criteria to distinguish between that which should and should not be introduced into nature and culture.

Today there is no more dangerous "trap" for man than his own thoughts and plans, which could boomerang and hit him back. That is why it is so important to master the complex art of self-knowledge and self-limitation, the art of orientation in a contemporary spiritual environment in which objectives and ideas, disparate in terms of meaning and end results but equally likely from the viewpoint of their practical implementation, take shape. And if today the fate of man and his very existence on earth depend, above all, on his choice, such a choice could no longer be the privilege of a minority albeit the



one known as the vanguard. No one has the right to decide for others and to impose upon the masses a "rational" model of life. Many of the dramas of the 20th century are related to plans for "modernization," alienated from local experience and traditions: the city imposed them on the countryside, the center on the provinces and the developed countries on the developing ones. The time has come to assert in this most important area as well—in the area of life orientation—the right of people to self-determination. Models of "optimal social conditions" cannot be developed from above, from some kind of "centers." They require an active dialogue with the representatives of interested population strata, such as labor collectives, the population of the provinces and regions, and social organizations. In principle, no predetermined decisions outside of such a dialogue can be optimal. The voice of those who defend the inherited values and the local natural and cultural environment and way of life must be heard and it is only then that transforming and protecting humanism could achieve a state of reciprocal accord.

The elimination of the monopoly on truth and democratization of spiritual quest are as important components of the process of perestroika as the elimination of departmental monopoly in the economic-production area.

#### Humanism and the Fate of Civilization

Equally dramatic, in the light of latest historical experience, are relations between humanism and civilization. The humanistic criticism of civilization is a very old tradition started by Rousseau. This criticism has substantive grounds: the progress of civilization largely meant also increased alienation, in the course of which the forces brought to life by man began to rule and enslave him.

However, this bitter and just observation was frequently used, within the framework of humanistic anthropocentrism, as a pretext for false and nihilistic conclusions: a denial of civilization and a rejection of its achievements.

Such conclusions already sin by the false sentimentality we noted: civilization is rejected out of love of man and, at the same time, man is relieved from the difficult yet necessary task of mastering the results and gains of civilization. Such precisely is the meaning of idealizing precivilization primitivism. Rousseau laid the beginning of a temptation, the sinister meaning of which was revealed only in the 20th century: to reject the past, i.e., to reject all the gains of civilization, with all of its standards and values and, for the sake of a "new future," start history with a "blank page."

Instead of a dialogue between man and civilization (which presumes, on the one hand, the need to humanize the process and a greater correlation between it and the problems of human freedom, happiness and well-being and, on the other, the need to master by man of any,

including the most refined, products of civilization) anthropocentric humanism formulates a false dilemma: a choice between man and civilization.

This dilemma frequently assumes a political aspect, according to which the social "lower strata" owe nothing to civilization. Their job is not to master its achievements but simply "to raze it to the ground," as something inconsistent with the "simple and clear" motivations and needs of the masses. However, any belittling of the experience of civilization and any effort at rejecting its gains turns, in the final account, against man, for any weakening of civilized principles inevitably opens the way to chaos and arbitrariness, depriving man of the social, political and cultural gains he has already acquired.

The criticism of civilization is fraught with particularly dangerous consequences when it used a variety of marginal and lumpenized strata, a kind of parias of civilization, who are attracted to the easiest way of solving its contradictions: not to improve and develop but to put an end to it in one fell swoop, and to create a "bright new world" on its ruins. The contemporary lumpen proletariat is exceptionally heterogeneous. Nonetheless, it could be divided into two basic types: economic and spiritual. Although usually intertwined, they nonetheless have their own specific features.

The economic lumpen proletariat rallies various groups of individuals who have a panic fear of the strict requirements of a market economy. Such groups become particularly numerous in times of broad structural changes such as, for example, during the age of industrialization, when large numbers of people are pushed out of traditional economic sectors. For long periods of time a significant share of them refuse any kind of intermediary position. The old order no longer exists for them and they have still not properly become part of the new. On the one hand, they have breathed the air of "urban freedom," for the petty supervision of the community and the standards of a patriarchal-religious morality have all been left behind. On the other, they are frightened and repelled by the merciless rhythm of industrial labor and related production and economic discipline, impersonal nature of social relations and parallel social lack of protection and lack of survival guarantees.

When such strata and groups join the revolutionary process, they bring with them a special type of expectations and aspirations which are unlike those of the peasants and the proletariat. The slogan of "land to the peasant and the factory to the workers" actually suits them little, for the role of independent proprietors—owners of the means of production—is inseparable from responsibility and risk (as is any independence and freedom). More than anything else they thirst for social guarantees and supervision and it is precisely such demands that they formulate to the revolutionary authorities. Under the conditions of the dilemma of state

versus social ownership, petty supervision or independence they, naturally, gravitate toward the former. It is precisely the marginal and the lumpen strata which try entirely to subordinate the civilian society to the state, for within the framework of a civilian society, totally unrestricted by economic competitiveness, their chance to succeed is small, for which reason they demand a strong, even an omnipotent state. The dialectics of revolutionary dictatorship, as understood by such strata, is the dialectics of compensation. An authoritarian state is the arm of the weak. In the final account, it should be so authoritarian as to ensure the superiority of the "weakest" over the "strongest."

The lesser the "weak" have a chance of gaining independence and defending their rights, the more inevitable becomes the dictatorial interference of the authority in the affairs of the civilian society. At this point, however, the following question immediately arises: When "the strongest" have been removed from power, what will happen to the "weakest," who remain alone in facing their omnipotent state?

I believe that a truly socialist future is related to a transition from one type of civilian society, based on bourgeois private ownership, to another, based on the ownership by labor collectives, i.e., on the unity between labor and ownership. On one side we have the economic autonomy of the bourgeois; here we have the economic autonomy of the working people.

As historical experience indicates, however, under the conditions of a powerful social pressure the lumpen and semilumpen strata in the postrevolutionary society could stop at an intermediary stage, at a kind of "emergency situation" in the economy: a situation in which one type of civilian society has already been destroyed while another one has not as yet taken shape; there is essentially no new social ownership. There is no owner and the state acts as the universal guardian. It is during that period that the bureaucracy, which performs the role of "guardian" and its wards, the strata which are deprived of ownership and, therefore, of any kind of economic responsibility, forge their alliance. The lumpen mentality, which in the past was the product of peculiar historical circumstances, can be steadily and deliberately reproduced by the administrative-command system. The intent of its founders was no more and no less that of creating a network of total comprehensive prescriptions issued from the center and applicable in all areas of social life and, above all, in industry. Under these circumstances, even the slightest possible autonomy and initiative on the part of the producer was considered a source of possible deviation, violation and distortion of the "general plan." On the other hand, the producer, supervised from above, could not "get burned" even under circumstances of a clearly erroneous and even absurd economic strategy (production for the sake of production), for the state compensated for all losses.

Such combinations of a practically total lack of independence and irresponsibility with total supervision could not fail to artificially implant a lumpen mentality.

Two important conclusions are inevitable here. The first applies to the historical roots, to the origin of the authoritarian Stalinist regime and the monstrous violations of legality related to it. Of late the assumption has been frequently voiced about the "oriental" roots of this phenomenon and the vestiges of the communal system and communal mentality on which it was based. In our view, this is entirely wrong. The lumpen proletariat, which was not a traditional phenomenon but a phenomenon of a new order, was initially the base of the Stalinist dictatorship. The peasant, who demanded the right to independent farming of the land, could not be the support of the administrative-command system which feared, more than anything else, the economic independence of town and country producers. The spirit of the "new" authoritarianism and of bureaucratic supervision proceeded from the city to the country, and from the center to the provinces and not vice versa.

The second conclusion is that of the unquestionable link between our social bureaucracy and the concepts, stipulations and traditions of "supervisory" humanism. Today this implies bureaucratic interest in its "pure" parasitical and corrupt aspect.

However, such was not always the case. Initially the Soviet type bureaucrat had nothing in common with Weber's familiar type. According to Weber, bureaucracy means the kingdom of merciless impersonality, as merciless and incorruptible as the laws of the capitalist market. The ideological and value neutrality and the pedantic following of instructions and categorical rejection of any improvisation are all features of the Weberian bureaucrat which were guaranteed to provide work for the administrative apparatus as an impeccably functioning rhythmical mechanism. Within it responsibility and professionalism are valued higher than anything else. Weber pitted the bureaucratic type of management to the charismatic—based on the "cult of personality" of the ruler, the leader, the principle of personal loyalty. From the very first years of the Revolution, however, not through the age of stagnation but until the age of stagnation in our country the charismatic and bureaucratic principles had remained closely interwoven. The bureaucrats acted as the guardians of the "simple people," while the leader, who was at the top of the power pyramid, was the main supervisor and guardian. Actually, all social problems in the country were interpreted as "democracy for the people," and manifestation of "concern for the working people."

A total break between the bureaucratic and charismatic principles occurred, in practical terms, only during the period of stagnation. The "deideologizing" of the ruling bureaucracy took place. Now it acted only as the defender of its own egotistical interests.

Therefore, the establishment of the "Soviet bureaucracy" had its own conceptual and ethical underpinnings: sentimental but disrespectful attitude toward the working person, toward the "little brother," who needed constant guidance and supervision. For that reason, the task of the bureaucracy, as the tool of the "supervisory humanism" actually consisted of the systematic persecution of the strong and outstanding individuals who were potentially dangerous to their "little brothers" (and to the bureaucracy itself).

The bureaucracy, which obeys the social instruction of the lumpen proletariat, naturally gravitates toward turning an unstable production method, based on constant changes in equipment and technology and in the organization of labor and means of communications, into a stable one. Its criticism of capitalism strikingly reminds of its conservative-romantic criticism: the main emphasis is on instability, and so on.

As V.I. Lenin indicated in his study of "economic romanticism," "it is in such sallies that we see the romantic who condemns with a sense of fear precisely that which scientific theory values more than anything else in capitalism: its inherent aspiration toward development and unrestrainable wish to march forth and the impossibility of stopping or reproducing economic processes in their former unchanged dimensions" (*Poln. Sobr. Soch*) [Complete Collected Works], vol 2, p 208).

It is necessary to realize that the age of stagnation, which followed Stalinist arbitrariness, was not the spontaneous result of errors and abuses and not even an objective consequence of obsolete economic management mechanisms. Stagnation is the reverse side of the ideal of "stability" and "guarantee" reflecting the interests of lumpen and bureaucratic social strata which feared, above all, cost accounting production relations in which independence is inseparable from risk. It was thus that the sentimental requirement of "full guarantees" turned into the danger of undermining the very mechanisms of civilized society in our country, for contemporary civilization is inseparable from a flexible production method based on the laws of the market, on the one hand, and the requirements of scientific and technical progress, on the other.

In the area of culture, the system of bureaucratic supervision is oriented toward intellectual lumpenizing. It is a question of people who have become alienated from traditional folk culture and its sources and standards without, however, having truly adopted the new type of relations in culture, based on ethics and the standards of highly professional spiritual output. Like the economic, the intellectual lumpen approach supports the strictly consumerist principle: absolute and accessible without any effort. This lumpen-style interest was frequently concealed behind slogans of the accessibility of culture aimed at the "simple people." The lumpen ideal of absolute accessibility is particularly aggressive toward high professionalism in culture. In particular, it expects

of literature and the arts works distinguished by absolute "transparency" to the uncorrupted mind. The promoters of absolute accessibility are ready to raze to the ground the peaks of culture, i.e., the results of the human genius, the mastery of which requires advance training and intellectual effort.

The ideology of equalization in culture creates a special type of bureaucracy—the "overseers of the spirit"—whose duty is a kind of selection: the systematic rejection not of the worst but precisely the best and any somewhat outstanding works as inconsistent with the criterion of "equal accessibility." Consequently, the coercion of inviolable canons, rituals and stereotypes is established in the spiritual area, with the help of which the "bureaucracy of the spirit" tries to kill the dangerous spirit of creativity and attain its closely held ideal of "absolute balance," although, as we know, the movement toward such a balance is a process of entropy.

As a whole, the system of universal bureaucratic supervision undermines the restless "Faustian" spirit of contemporary civilization, which is profoundly opposed to an orientation toward total predictability in the behavior of the people in all areas of life, comprehensive control provided by a single center, and so on. Free competitiveness, with unpredictable results, is a universal principle of contemporary civilization. The purpose of the proletarian revolution is not to abolish this principle but comprehensively to broaden its social base, converting all members of society into proprietors, into collective owners and creators who thirst not for supervision but for independence.

The efforts to discredit civilization with a view to the social rehabilitation of unadapted lumpen elements are being made to this day. The lumpen attacks on civilization are assuming an increasingly aggressive form. In this case it is even not so much a question of the craftiness of one ideologue and bureaucrat or another, selfishly promoting such strata, as the real contradictions in the development of civilization. Developing in depth and in width, and invading new spheres of social life and new areas with its market-based principles, founded on trade and competition, civilization destroys the traditional systems and destabilizes the situation of many millions of people. Not everyone is able immediately to integrate himself within the new system of civilization. Many people must experience a lumpen status with all the concomitant privations and temptations of pseudorevolutionary nihilism, extremism and utopianism.

The dialogue with the lumpen class is the difficult and risky lot of civilization, without which it cannot pursue its universal expansion. However, the challenge hurled by the lumpen strata to civilization as well assumes a global nature. Under these circumstances, the fate of humanism becomes dramatic. It cannot turn its back on those who are deprived and humiliated, for in that case it would not be humanism. However, nor can it turn its

back on civilization, which is yielding to the pressure of lumpen expectations, for an alternative to civilization is universal chaos and the quite likely doom of mankind.

At this point yet another problem arises, which, at this point, pertains to the interrelationship between our country and world civilization. From the very beginning, our fatherland, born of the October Revolution, stood up as the defender of the oppressed and the poor throughout the world. In other words, this was a meeting between humanism and a revolutionary "superpower." It was important in this case, however, for such a meeting to take place on the grounds of civilization and not of its denial. In the history of our country there have frequently been temptations to support "revolutionary chaos" in the world in order to erode the foundation of "bourgeois civilization." In his time, Mao Zedong could not forgive N.S. Khrushchev for abandoning the concept of "revolutionary chaos" and for seeking a dialogue and peaceful cooperation between the two systems. However, it is only the assertion of the new political thinking in our country that will make it possible definitively to surmount recurrences in the type of thinking which views the development of the world in the spirit of the "theory of catastrophes" and which sees in the catastrophes themselves progress toward the "definitive" revolutionary outcome.

Revolutionary sectarianism, and efforts to break with world civilization are, perhaps, among the most dangerous manifestations of the protracted left-wing "infant disease" in communism. It is in this context that we must assess the defaming of universal human values as being features of bourgeois "abstract humanism."

In its time Christianity, which was the spiritual-moral revolution of mankind in the transitional period from antiquity to the new era, was marked by a drastic broadening of the humanist horizon, in which the prospect of "salvation" and moral commands (including "thou shall not kill") applied no longer to "one's own" fellow-tribesmen but to all people in general, to mankind. Since then recurrences of sectarian morality and efforts to limit the "prospect for salvation," as well as the applicability of moral standards within strata, national, racial or class framework have been continuously reappearing in history. The Stalinist mass repressions were both the result of sectarianism in the moral area and efforts to exclude the increasingly broader and arbitrarily defined "alien class elements" from the realm of action of moral norms and commands ("everything is permitted against them").

The spreading of such sectarian morality which worked "only for one's own," leads, in international politics, to the Manichean division of the world into "light" and "dark," "blessed" and "cursed," and, in the final account, to the nuclear suicide of mankind.

Under these circumstances, the new political thinking, based on acknowledging the unity of contemporary mankind and the integral nature of the world, is the most important gain of the spiritual and moral revolution: it is a decisive step in surmounting the threat of moral sectarianism and ideological fanaticism. In the face of the terrible global problems of our time, the new thinking proceeds from the principle of universality: not only the "elect" (peoples, societies, classes) must be saved and preserved for the future; the world can be saved only in its entirety. It has a single destiny.

The ways to substantially intensifying and renovating the humanistic potential of mankind have already been earmarked in the new political thinking.

This means, above all, an integration of the values of **universality**:

The comprehensive implementation of the principle of unity of all mankind and approach to the world as integral and interrelated;

The acceptance of a single civilization for all people on earth (and, possibly, the only one in the universe);

The primacy of universal human interests, the supremacy of the universal human idea over the innumerable number of centrifugal forces.

No less important is the acknowledgment of the eternal, the **imperishable nature of universal human values**. In an age of tempestuous social and scientific and technical revolutions, the temptations of value relativism, the aspiration to eliminate the age-old experience of mankind and to apply to all social and spiritual structures the universal principle of "moral obsolescence," which serves to justify nihilism in the cultural, moral and ecological areas, are stronger than ever. However, this relativistic "paradigm" is now beginning to be revised. On the one hand, the people discover by themselves intransigent, "invariant" spiritual and moral structures, the significance of which, obviously, will remain for as long as man remains on earth; on the other, in addition to the mass duplicated items and structures there also are unique objects which, if lost, are irreplaceable. This applies to the uniqueness of human life, nature, civilization and our own age which, for the first time, have faced mankind with the "maximal" questions of life and forced it to become aware of its mortality. This discovery of invariant and unique structures greatly reduces the arrogance of the human mind directed toward transformation and believing that the future can allegedly replace everything with something better.

What we need today is not only a transforming but also a protecting humanism related to an awareness of the uniqueness of a great deal of that which has been given to

and bequeathed to man. If mankind does not protect its unique nature and its physical existence, if it does not preserve what is unique in its culture, it could be thrown back into a new barbarism.

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### Problems of the Communist Movement and Perestroyka in the USSR

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[Text] What is currently taking place in the communist movement? Is its crisis as profound as is claimed in some publications in the world, including the communist press? What is the influence on the communists in the nonsocialist countries of the renovation processes developing in the Soviet Union? How are relations among communists transformed under the influence of the ideas of new political thinking formulated by the CPSU?

In discussing such topical problems, our journal asked these and other questions of two communists who represent their parties in the editorial council of the international journal PROBLEMS OF PEACE AND SOCIALISM (PPS): Rafiq Samhun, Lebanese Communist Party Central Committee Politburo member, and Damianu Pretel, member of the Spanish Communist Party Central Committee, doctor of philosophical sciences.

Following is a recording of the talk between them, moderated by S. Yastrzhembskiy, deputy responsible secretary of the PPS and candidate of historical sciences.

**S. Yastrzhembskiy:** And so, what is your attitude toward the claim that a state of crisis exists within the communist movement?

**R. Samhun:** It is important to determine what it is that we imply by the word "crisis." The party members are well familiar with the structural crisis of capitalism. However, there is a crisis of a different kind as well: a crisis of development, a crisis of the birth and the growth of the new. It is precisely thus that I understand discussions on the crisis in our movement. How is it manifested? Above all, in the lengthy stagnation in the area of theoretical research and the fact that for a number of years Marxist scientific thinking fell behind in the interpretation and forecasting of rapidly changing objective realities in the contemporary world. A stagnation in theory, however, had a painful influence on the practical activities of the party members.

Marxism is not a container in which science and truth are locked once and for all but a method through which we can explain objective reality, which is in a state of constant motion, and acquires new knowledge of the world. Any other understanding of Marxism leads to the fact that it loses its basic feature which, precisely, is its scientific nature. We are currently in a stage in which our

theory is behind the interpretation of some negative aspects of specific reality. We shall not be able to surmount this crisis of growth without making most serious efforts to develop theory. It is precisely thus that Marxism will be able to assert itself again and again as a scientific outlook.

I believe that it would be erroneous to say that Marxism itself is experiencing a crisis. In my view, it is the Marxist priests, the Marxist dogmatists who are in an impasse, people who either do not understand theory at all or else hinder its development with their dogmatic approach to the legacy of Marx, Engels and Lenin. I shall cite specific examples.

Not so long ago, we enthusiastically convinced one another that capitalism was in a dead-end street and that it was unable to develop science, technology and production forces to any kind of higher limits. Time passed, however, and we had to note, with confusion, that reality had nothing to do with this concept and that under capitalism science, technology and production forces are developing steadily. Furthermore, in many areas they are reaching levels which socialist countries have been unable to attain.

Here is another example. In speaking of international monopolies, we always emphasized their specific contradictions and internecine struggle for areas of influence, as though failing to notice that they shared common interests which, precisely, had led to the establishment of multinational corporations, the coordination of their efforts and policies and the creation of a variety of international clubs and associations.

We are unable to counter this adequately for, alas, the communists are unable to counter the efforts mounted by hostile class forces. To this day we have been unable to ensure even a minimal level of coordination in the struggle waged by the working class in the developed capitalist and developing countries. In my view, all of this convincingly proves how perniciously the lagging of Marxist scientific thinking is reflected in the practical policy of the communists.

**D. Pretel:** To begin with, I would like to argue against the claim that the crisis is not one of Marxism but of its dogmatic interpreters. In my view, it is entirely clear that wherever the Marxist priests (incidentally, could they be considered Marxist?) "made the weather," which, precisely, was the situation in the majority of communist parties, one should frankly speak of the existence of a crisis both in Marxism and within the parties themselves. I am therefore convinced that the crisis phenomena in the communist parties are related, above all, to the prevalence within them of dogmatism and doctrinarism. The communist parties, satisfied with criticizing the policy of the authorities, failed to pay adequate attention to the development of new ideas and alternatives which could be applied under specific national conditions.

Meanwhile, the capitalist world has changed a great deal and has reached a new stage in its development. How, under these circumstances, should the communist parties restructure their policies and activities? I believe that no answer to this question has been found so far, which can only worsen the crisis phenomena, for we can simply no longer act as in the past. Therefore, this becomes one of our most important problems.

Other no less important reasons exist for crises which are taking place, in particular, in the Western European communist parties. For example, to this day our parties have failed to achieve even a minimal interaction among leftist and progressive forces. Without this, however, it is impossible to mobilize the broad popular masses in the struggle for the development of democracy and for socialism.

Another mistake would be to ignore the influence of world socialism and its foreign policy, that of the Soviet Union above all, on the situation of the communist parties. Today hardly anyone would disagree with the fact that stagnation and the neo-Stalinism of the Brezhnev age gave the global communist movement an unattractive image of socialism as a whole. In turn, this complicated our efforts to attract the broad popular masses in the struggle for democracy and a socialist future. Furthermore, in frequent cases the policy of interference of some ruling fraternal parties in the internal affairs of other led to an aggravation of the internal party struggle and to division. Such was the case in Spain, for example, where the Spanish Communist Party experienced the deepest crisis it had ever had in its history.

**R. Samhun:** We remember that Lenin said that exaggerating any one aspect of the truth alienates us from it. Do you not believe, Comrade Pretel, that "Eurocommunism," for example, was an inadequate, a type of exaggerated reaction on the part of the Spanish communists to what took place within the party and to the interference in its affairs? Did "Eurocommunism" not worsen an already existing crisis?

**D. Pretel:** I am glad that you raise the question of "Eurocommunism," for the time has come to consider this phenomenon seriously, without any quick-tempered propaganda. It should be considered an attempt which we consider by and large successful at developing Marxist theory as it applies to the new reality of the developed capitalist countries in Europe, including Spain. Such is the essence of "Eurocommunism," the establishment of which began a long time ago, as early as the 1960s. It made it possible to formulate the tactics and strategy of the struggle against Franco, which gave the Spanish Communist Party at that time leading positions among the democratic anti-Franco forces in Spain. Therefore, essentially the party will not reject, either now or in the future, the ideas of "Eurocommunism." However, we are not speaking of "Eurocommunism" in particular because the struggle against it was so fierce that the term

itself acquired a pejorative connotation. Therefore, I would like to say that "Eurocommunism" appeared long before the division within the SCP and, essentially, is unrelated to the appearance of the crisis in our party. However, such an answer would be one-sided if we do not add the following:

It is a fact that many Spanish communists opposed "Eurocommunism," believing it to have an anti-Soviet content. These party members did not support the criticism which, let us say, was frequently erroneous in terms of its form but absolutely accurate in terms of its essence, which the then SCP leadership developed toward negative phenomena in the Soviet Union and the other socialist countries. Actually, after April 1985 virtually all of these phenomena were harshly assessed in the resolutions of the CPSU and in the Soviet press. At that time, however, the campaign which was mounted against the "Eurocommunist slant" by some ruling communist parties, had a decisive influence on some SCP members. In that sense, "Eurocommunism" created within the SCP conditions which aggravated the crisis. As a result, many opponents of "Eurocommunism" left us and created another one, the Communist Party of the Peoples of Spain.

**S. Yastrzhembskiy:** Without trying to make a profound analysis—for this is a topic which merits a special discussion—let me express my viewpoint on the problem.

In my view, "Eurocommunism" should be considered an attempt undertaken by a number of Western European communist parties to abandon the schematic and dogmatic vision of the realities of contemporary capitalism and to interpret them through their own forces and find adequate new ways of struggle for a democratic alternative and for socialism. This theoretical quest led to unquestionable achievements. There were errors as well, something which is actually inevitable in any new undertaking.

I also consider quite justified the criticism voiced by these parties of the negative and essentially critical processes which were developing in the USSR between the end of the 1970s and beginning of 1980s. It is true that objectively we must point out that in their critical enthusiasm, many ideologues of "Eurocommunism" such as P. Bravo and M. Ascarate in Spain, allowed obvious distortions by expressing a primarily negative assessment of the entire Soviet experience. As a result of their interpretation, in some cases "Eurocommunism" looked like the opposite not to administrative-command and bureaucratic socialism but to socialism in general.

**D. Pretel:** Let me add to this that in Spain the very term "Eurocommunism," which was of no scientific significance whatsoever, played a positive role. This is explained by the fact that after 40 years of Franco, the broad strata of the Spanish people considered the experience of world socialism as something profoundly alien

to Spain. Our task was to prove that the Spanish Communist Party was not a foreign party, that it was not subordinate to anyone but used its own mind and made decisions which were consistent exclusively with the interests of the Spanish people. In that sense, the name "Eurocommunism" played a positive role.

**S. Yastrzhembskiy:** In analyzing the reasons for the state of crisis in the communist movement, Comrade Pretel touched upon the question of the great importance which the attractive image of socialism has in the struggle waged by the communists. This influence of world socialism and, particularly, the state of affairs in the Soviet Union, is a permanent factor in the development of the communist parties which, being tied from birth to the homeland of the October Revolution with an invisible umbilical cord, react sensitively in terms of their own "self-esteem" to any one of our successes or failures. If we look at the period of stagnation, in my view the greatest harm it caused was that a tremendous gap between words and actions developed in our country, between propaganda which depicted everything in rosy colors and reality. Furthermore, reality itself, to a certain extent, was devaluing many of the ideals of socialism. There appeared a crisis of ideals, if you wish, which, naturally, could not fail to be reflected on the communist parties.

**R. Samhun:** I agree that the influence on the communist movement of the positive and negative phenomena which took place in the socialist countries cannot be bound by the limitations of a specific time period. The same type of influence appeared in different ways during the period of Stalinism and under Khrushchev or Brezhnev.

We cheered all too much the successes of the socialist countries and, unfortunately, either did not try or were unwilling to see their mistakes. Furthermore, we blindly copied their experience, considering it universal and extrapolating it on the basis of entirely different national conditions. For example, our party, which was founded in 1924, raised the slogan of "All Power to the Soviets!" virtually from the very first days of its life. And this took place under conditions marked by a semicolonial dependence, and with an extremely small working class! As to the infection of the cult of personality, it struck virtually all parties and triggered a number of exceptionally dangerous phenomena.

Subsequently, during the age of Khrushchev, the age of major accomplishments in the socioeconomic and political areas, forecasts on a noncapitalist way of development appeared and became widespread. The mechanical adoption of this concept, which was subsequently substantially revised, led to the fact that a number of communist parties functioning in the young liberated countries (such as Algeria and Egypt), which tried to achieve true independent development, decided to disband voluntarily and to surrender their position to the

revolutionary democrats. Several years later, realizing the error of this step, the communists had to recreate their parties virtually from scratch.

Or else, despite the fact that a great deal was being said at that time of the need decisively to struggle against the consequences of the cult of personality and the dialectical combination of centralism with democracy, as in the past, in a large number of parties the Leninist norms of party life continued to be violated. In practice, the result was that in the course of the debates or the formulation of resolutions, comrades who supported views different from those of the leadership were unable to defend their positions. The result was a very unhealthy atmosphere and a "cult" of the superior party authorities. This prevented the development of such parties into truly mass organizations.

The gap between words and actions became particularly noticeable under Brezhnev. At that time the existence of a leading center within the communist movement was forcefully denied. Practical experience, however, indicated the opposite. We enthusiastically supported many of the steps taken by the CPSU, which failed to pass the test of history. The list of such examples, unfortunately, would be quite lengthy.

**D. Pretel:** To us this question is of particular interest, for Spain alone among the developed capitalist countries had come to a certain extent close to making a choice in favor of socialism under the conditions of the Civil National Revolutionary War (1936-1939). Therefore, when we speak of the development of democracy in Spain as the main trend in the struggle for socialism, the people frequently ask: "But what kind of socialism will there be in our country?" We frequently came across a situation in which the Spaniards would say: "If the struggle for democracy will lead to a Stalinist-type socialism, do not count on us." Therefore, many people participate or do not participate in the struggle for the development of democracy depending on the image of the socialism supported by the communists.

It is precisely for that reason that socialism during the period of stagnation, of the non-Stalinist variety, as it was during Brezhnev's time, was to us a major obstacle in the struggle for democracy. For it was as though it supported the idea that Stalinism was a phenomenon organically inherent in the nature of socialism. To the Spanish Communist Party distancing itself from this type of socialism by criticizing its negative aspects was a serious inner requirement.

It was precisely for that reason that the SCP, as early as the 1960s and, particularly after the 1968 Czechoslovak events, when we opposed the introduction of Warsaw Pact forces, undertook to develop its own concept of the type of socialism we would like to build in Spain.



Finally, it was precisely for that reason that our party was one of the first to support perestroika in the USSR and the new political thinking of the Soviet leadership. Particularly important to us is the formulation of views on socialism which we, communists, can offer to the Spanish people. The fact that today the Soviet Union is clearly proving that democracy is possible under socialist conditions in the political, ideological and economic areas, with total respect for the rights and freedoms of the individual, offers tremendous prospects for our party's activities.

I believe that the SCP was one of the few parties which, while criticizing the negative aspects of the Soviet experience, at the same time mentioned its own inability to carry out revolutionary changes in its own country. Furthermore, we can openly say that the responsibility for the existence of negative sides in the life of Soviet society falls, to a certain extent, on the communist parties which preferred to ignore a great deal and engaged in praising anything which was coming out of the USSR. All too frequently we ignored Marx's requirement that a communist must be, above all, critical.

**R. Samhun:** In answering this question, we must clearly avoid any kind of absolutizing. At different times there have been parties which have tried to pursue an independent line in political and organizational matters, consistent with national conditions. Such was the case, for instance, with our party at its 2nd Congress, in 1968. Naturally, a significant number of parties were trapped by historical tradition, which doomed them to inertly waiting for an "external impetus." Such parties were indeed weak. The trouble also was that the "small Stalins," which ruled for a while some fraternal parties, blocked any manifestations of dissidence and a desire for independence, while the supporters of such views were simply expelled from the party. Naturally, such processes did not disappear without a trace and, possibly, this is one of the reasons for the present division within many communist parties.

**S. Yastrzhembskiy:** The conclusion from what you said is that at different times not only the mechanical borrowing of ideological and political concepts of the communist parties in the socialist countries but also the unconditional support of their foreign policy course had a pernicious influence on the activities of the Spanish and Lebanese communist parties. Now, I would think, it has become clear that by no means can there be an absolutely identical similarity between the governmental foreign policy of a ruling party and the positions which other fraternal parties may adopt on international problems.

**D. Pretel:** I fully share this formulation of the matter. Why? Because in the past, during the times of Brezhnev and Suslov, the CPSU tried to play the role of a center of the international communist movement, and the communists, at least those in Western Europe, actually deemed themselves obliged unquestionably to support the foreign policy of the Soviet state. This turned the

communist parties into narrow groups of propagandists and agitators who drafted resolutions of solidarity with any step taken by Moscow in the international arena. This deprived the communist parties of their own personality and independence in judgment, and limited their sovereignty and responsibility to their own nations. The Spanish Communist Party broke with such practices starting with the 1960s, when it reached the conclusion that its international duty was, above all, to develop the democratic and revolutionary movement within Spain itself.

Two positive phenomena appeared after April 1985. First, the CPSU is no longer trying to be the leading center of the revolutionary and the communist movements. This is gratifying, for each party has the opportunity to become such a center within its own country. Second, today the Spanish Communist Party shares the objectives and supports the style of Soviet foreign policy and Gorbachev's diplomacy. However, the question of the autonomy of each party in international affairs remains topical.

**R. Samhun:** I agree that this is one of the most important problems facing the international communist movement and that now we do not always approach it on the level of the requirements formulated by the new political thinking. Unfortunately, the continuity which has developed is not entirely healthy. According to it, many parties have become accustomed blindly to support all foreign policy steps taken by the Soviet Union regardless of their own conditions and national specifics. The contemporary world, however, is so complex that even in the case of isolated problems it becomes very difficult to formulate a general prescription which would be applicable to any country and party under all circumstances.

Let me quote an example. Of late the Soviet leader has repeatedly met with the U.S. President. The results of such meetings are of exceptional importance to the entire world. However, does this mean that all countries and revolutionary forces which are fighting against the diktat of American imperialism or, in the Middle East, against the Israeli policy of aggression, should stop their struggle and only applaud the results of the talks? Naturally, no. It seems to me that by fighting for the withdrawal of the American Armed Forces from Lebanon, we thus made our own contribution to the success of the meeting between Gorbachev and Reagan.

Thus, we must stop our blind imitation of the policy of the Soviet Union. We must learn how to act above all on the basis of the study of specific realities and the interests of our own people, guided by the ideals of peace and progress.

**S. Yastrzhembskiy:** In the past couple of years, with increasing frequency statements have appeared in the communist press to the effect that major changes of renovation are taking place in the international communist movement and that it has reached a qualitatively



new stage of development. Are we continuing, as we did in the past, to depict a wish for reality? Are we not hastening the natural course of events? If such changes are taking place, to what extent are they related to perestroika in the Soviet Union and to the new political thinking which is guiding the CPSU in the communist movement?

**D. Pretel:** I would like to say something not concerning the entire communist movement but pertaining specifically to our party.

Of late the SCP has indeed begun to come out of its state of crisis in which it remained for several consecutive years. This conclusion is supported, for example, by the fact that Spanish society has begun to acknowledge the SCP as the only communist party in Spain. We were able to create a prototype for the unification of leftist forces, to provide an alternative to governmental economic policy and significantly to intensify our work in the mass organizations. The result has been an influx of new members. All sociological surveys made in Spain in recent months have indicated the slow but steady rise of our stock among the voters.

The process of renaissance of the Spanish Communist Party coincided with perestroika in the Soviet Union which, if you wish, indirectly contributed to the holding of the January 1989 Unification Congress of Spanish Communists. The new political thinking of the Soviet leadership and the course of expansion and intensification of the democratic gains of socialism and the firm break with the deformations of the past are helping many comrades, who left the party in the past, to surmount their dogmatic views. Perestroika favors the normalizing of the situation among Spanish communists and the mass organizations of the working people. In the past relations between working people and communists were frequently based not on common class interests but on their views of Brezhnev's policies. Is this a paradox? It is. However, such was the reality of those times.

**R. Samhun:** I would watch out before attempting any unjustified exaggerations in assessing the current situation within the communist movement. I believe that it is premature to claim that it has already reached a radically new stage. However, it would be wrong to claim that no progress whatsoever has been achieved. For example, even this present discussion would have been difficult to imagine 5 years ago.

It is gratifying to realize that there are no more taboos and prohibited topics within our movement. A free and open comradely dialogue is taking place both among communists and between communists and other forces. This is a major change for the better.

Or else consider the following: today it is entirely obvious that social progress is impossible without the preservation of human civilization. It is too early to say that

this truth has totally captured the minds of all communists. However, an increasing number of leaders, party cadres and rank-and-file communists are reaching this conviction. They are restructuring their work in the proper way in accordance with conditions prevailing in their own country.

Finally, the understanding is growing also that democracy and the struggle for democracy are not a secondary objective and that there can be no pitting of democracy against socialism. This too is the beneficial influence of perestroika.

However, there is another danger: our attachment to continuity and traditions. I would not like to have forces, not to mention entire parties, appear which would like automatically to start perestroika, so to say, in their own home. This would mean a repetition of the old errors in a new situation.

**S. Yastrzhembskiy:** Do you consider that it is justified to speak also of the appearance of another new and positive symptom in relations among communist parties: a different understanding is beginning to develop as to the nature of the unity among communist forces. For unity does not mean in the least that all of us are the same and think alike, sharing the same dream of some kind of abstract and unearthly socialism. The strength of the communists lies elsewhere: in the varieties of theoretical and practical experiences in the struggle for common end objectives. It is only on that basis, clearly, that one could speak of unity.

**D. Pretel:** Actually, today a qualitatively new type of unity is indeed taking place among worker and communist parties. I am not speaking of the world communist movement for, in my view, at the present time there is no organized, coordinated and purposeful movement of this kind.

As we know, the Spanish Communist Party, together with the comrades from Italy and France, raised some time ago the question of unity within variety. I believe that today this is the only possible accurate understanding of the nature of unity. The fact that all parties today deem impossible the existence of a single center and of a leading party is one of the most positive results of their activities in recent years. This is directly related to perestroika.

Furthermore, today one could consider how to raise to a qualitatively new level cooperation and interaction among party members in different countries, at least on the regional scale. Without such cooperation it is impossible to struggle against the forces which think in terms of cold war categories, in the NATO countries. No changes could be achieved in the nature of the Common Market or in restructuring it on a democratic basis unless there is cooperation between communist and left-wing forces in Western Europe. The growing need for interaction is clearly felt by the communists in other parts of the world.

It is entirely clear, however, that interaction must develop on the basis of total independence and autonomy of each party, strictly in accordance with the principles of unity within variety.

**R. Samhun:** I can only agree with your interpretation of communist unity. Any other means would no longer reflect the existent objective reality and would be merely formal. If each of us would look at his party he would see that a great variety of views are being voiced within it. And if pluralism of opinion arises within an individual party how could we deny the legitimacy of its existence in relations among all parties which happen to be operating, furthermore, under entirely different circumstances?

It seems to me that, having accepted the idea of unity within variety, we can reach a qualitatively new standard in the development of the communist movement.

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**Regional Cost Accounting: Need for a Sober Attitude and Provability**

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[Article by Mikhail Lazarevich Bronshteyn, doctor of economic sciences, head of the department of political economy, Tartu State University]

[Text] Work on the concept of regional cost accounting has entered its decisive stage. The problem is triggering universal interest and discussions. Unfortunately, however, such discussions are not always conducted correctly. Emotions and unsubstantiated claims, various exaggerations and extremes, and appeals to emotions rather than to reason predominate in them. In this connection, I deem it my duty once again (after my article published in *KOMMUNIST* No 11, 1988) to mention this topic not in an effort to convert someone or, conversely, talk him out of something, but simply to express a few arguments and try to analyze the matter calmly.

We cannot develop a blossoming economy in the Soviet Union and lay an economic base under the Soviet system without economically independent and responsible enterprises and territories. On the other hand, the balanced and efficient development of territories is possible only within the framework of a Union-wide national economic complex. No closed models of economy and closed cost accounting could improve economic management efficiency.

Today we have already gone far ahead in the specific elaboration of the mechanism of regional cost accounting. However, as a rule, practical problems can be properly solved only on the basis of accurate postulates.

Unfortunately, to this day unprovable and hasty evaluations and conclusions and, frequently, lack of understanding of the essence of the matter, are widespread. They can be seen in both the republic and central presses. A number of unconsidered articles in the press and even hasty decisions make us fear regional exclusivity and autarchy. Therefore, we should look into the situation and separate the principles of regional cost accounting from their distorted interpretation. Three basic ideas may be singled out in the concept of republic cost accounting: first, equivalent exchange among regions; second, a clear definition of economic obligations assumed by the individual republics toward the Union and the measures of participation in the solving of major strategic national economic programs (we cannot even consider the nonparticipation of republics in them); third, the creation of a system of intraregional economic and legal regulators.

In the course of the discussion itself a great variety of suggestions were formulated, including establishing a republic monetary unit, the possibility of regulating internal republic prices, relations between republic and Union authorities and between republic authorities and major enterprises under Union administration, and the creation of separate economic areas. Each viewpoint has its enthusiastic supporters and equally enthusiastic detractors. Frequently, views are excessively emotional and acquired second or third hand, becoming subject of reciprocal misunderstanding both by scientists and the public at large.

When we speak of regional cost accounting, we must proceed from the fact that a territory can function efficiently only by having an independent basic economic unit—the cost accounting enterprise—with a right to free access to the Union and the international market and the right to establish any kind of relations or to set up associations. Such an enterprise should not be subject to any noneconomic coercion. This leads to another most important conclusion: in no case should a republic administrative-command system replace a Union one. Such a threat is real, for the local bureaucracy would like to get rid of the supervision of the central bureaucracy without losing any of its own position and command levers. That is why we must sharply oppose any attempt (claims to this effect have been formulated in our country) at reducing a conversion to republic cost accounting to changes in the subordination of enterprises (replacing Union with republic control) and orient Estonian industry primarily toward the satisfaction of its own needs. Let me note that the very concept of "subordination" is part of the administrative-command vocabulary. It hinders the elimination of bureaucratism and the conversion to economic methods of management and the application of the principles themselves of economic rationality. Ever since Adam Smith we have known that the division of labor (naturally, interregional as well) increases its productivity and efficiency. An aspiration toward economic exclusivity means dooming the economy to low efficiency, the

people to poverty and the republic to degradation. The needs of the republic's population can be satisfied only if its enterprises will work for the republic, Union and world markets. Autarchy is a real economic calamity for the republic and for the Union. Any knowledgeable economist realizes this although, unfortunately, this has not been firmly established in the public mind.

Closely related to this problem are problems of ownership which are also being subjected to sharp discussions today. They have become greatly aggravated after the hasty decisions which were made at the extraordinary session of the Estonian SSR Supreme Soviet. The USSR Supreme Soviet Presidium annulled them as violating the Constitution. The problem was solved juridically but remains unsolved ideologically. Discussions are continuing and will continue. Let me express my own viewpoint.

I believe that accepting the principle of republic ownership as a separate part of nationwide Soviet ownership makes sense only in terms of natural resources, for the sake of protecting them from the uncontrolled domination of producers, or the arbitrariness of local authorities, collectives or individual citizens. However, this does not mean in the least that the republic will be protecting its resources in such a way as to block access to them on the part of any outsider. Their form of utilization could be quite varied, including economic obligations assumed toward the Union. All that is necessary is to observe several simple rules: not to disturb the ecological balance, to protect and improve the land, and to pay rent for land, water and minerals.

A different attitude should be adopted toward the concept of republic ownership of production assets located on its territory and created by the state. To begin with, this formulation is based on the erroneous concept that state ownership of the means of production enjoys primacy and is bound to be progressive. Second, it leads to charges of attempts to appropriate the results of someone else's labor invested in the building of a number of projects on republic territory, financed out of the all-Union budget, and provides a reason for making senseless reciprocal claims by republics. Finally, it creates that same loophole which promotes the "small" instead of the "big" command-administrative system. If I own you I can order you, I can close you down, I can open you, I can do whatever I want with you. Where does strengthening the feeling of proprietorship over one's enterprise come in in such a case!

It is no accident, therefore, that fears on the subject of such a formulation have been expressed, above all, by the big enterprises which are currently under Union jurisdiction. They considered this a serious economic threat, including the threat of breaking their ties to Union suppliers and consumers and, therefore, the threat of remaining unemployed. They are unwilling to replace bureaucratic-departmental with bureaucratic-parochial oppression.

In principle, it is important to the republic as well to any enterprise, regardless of departmental affiliation, to be competitive and profitable, to pay rent and taxes, to participate in supplying the republic's market, not to disturb the ecological balance and not to import excessive manpower. Anything else should be the business of the enterprise.

But if the question of the republic ownership of means of production is not raised, is there a place at all for republic management authorities? Naturally, there is, and it is quite substantial. It involves the formulation of a scientific concept for the development of the republic in accordance with its potential and status within the Union and the international division of labor, the organization of economic information, marketing, development of an innovation mechanism, and of economic and legal regulatory factors.

A closed approach kills innovation which needs an open market in means of production, capital and ideas, and the elimination of any forms of monopoly and diktat. However, having set up an innovation fund, the republic can provide financial and material support to enterprises with a view to promoting progressive structural changes, implementing the most efficient plans and upgrading competitiveness. This requires innovation funds, innovation banks and tax benefits.

In Tartu, for example, a big technological organization is being created; the corresponding organizational structures have already been established, such as a council of directors and a commercial bank to provide financial support to the innovation process. Contacts with foreign companies are being organized. Small enterprises, including cooperatives, have been set up to develop biotechnologies and laser technologies which are in great demand on the Union and international markets.

A "technological village" has been organized in Pylva, which will be closely connected to the Tartu technopolis. The local rayon executive committee, the center for applied biotechnology, the Swiss chemical and pharmaceutical company Sandoz and the Union Ministry of Medical and Microbiological Industry are organizing, on a share holding basis, the joint production of immuno-diagnostic and pharmaceutical compounds and blood-based preparations. The ministries participate on a commercial rather than command basis. This is a prototype of economic and partnership relations with state authorities.

This mechanism is trying to find its own place on the Union and the world markets and to link the interests of the Union with those of the republic and to provide a new solution to the problem of developing forms of ownership. The result is that technological, economic and ecological progress are achieved not within the

exclusive framework of state ownership (whether all-Union or republic) but through the combination of municipal and state ownership of enterprises and joint enterprise ownership with foreign companies.

Interregional economic relations greatly depend on solving the problem of prices. Unless there is equivalent trade, such trade will always be unprofitable to some of the parties and will encourage social dependency and centrifugal trends. Today we come across a variety of reciprocal claims: some areas sell raw materials while others sell finished products. There is a great differentiation in the availability of assets and of commodities and services. Exchange of goods based on mutually profitable and equivalent trade eliminates reciprocal claims. In the final account it makes it profitable for the area to sell goods to the all-Union fund as well as to engage in interregional trade and cooperation. Without equivalent trade the cost accounting chain from enterprise to republic invariably breaks.

On the other hand, many enterprises today are actually unable to work on the basis of full cost accounting because of losses and low profitability (although their reports claim 100 percent application of cost accounting conditions), and not all regions can equally operate on a cost accounting basis. In both cases programs for recovery and for financial improvements must be drafted by authoritative and independent experts. Target funds must be set up for improving the economy on the Union and republic levels. Only then will a lagging area become truly able to convert to cost accounting. Otherwise extremely bad consequences are possible. For example, the people will simply abandon farming, the land will be neglected and later such a situation becomes extremely difficult or, perhaps, altogether impossible to correct.

The question of introducing republic currency, which was publicly raised by R. Otsason, Estonian SSR Gosplan chairman, is of the same kind. Proponents of this idea have appeared in Latvia and Lithuania as well, and may also be found elsewhere. Naturally, this reveals a strong national element. To have one's own currency is as much a symbol of a republic sovereignty as its flag, seal and anthem. From the economic viewpoint, however, the difference is substantial.

Whereas a flag and a seal are attributes which are economically absolutely neutral, a monetary unit is a feature which could lead to quite serious economic consequences, above all by undermining economic relations and promoting regional and even political exclusivity.

The point is that such contemplated regional currencies would not be freely convertible on the world market. Their function would be different: to protect their domestic consumer market. This protection can be achieved only by raising the rate of exchange of one's monetary unit compared to another.

However, if a republic, an oblast or even a city with a relatively better market supply would introduce separate currency an extremely difficult and confused situation would arise, which would sharply worsen interregional exchange and cooperation. It is no accident that the EEC countries are progressing toward setting up a common currency and lifting customs barriers. However, whether we like it or not, for the time being there is such a serious imbalance in the country between available cash and commodities, that individual areas would resort to non-economic steps to protect their internal markets. Vouchers, rationing cards, commodity checks and identity cards giving the right to make purchases have already become familiar and sad instruments of our unregulated market. Prototypes of internal customs barriers have appeared as well: prohibition on carrying as personal baggage commodities in short supply. Some such cases border on the ridiculous. Here is one of its variants: as a result of differences in purchase prices it has become profitable for the peasants in Vyruskiy Rayon in Estonia to drive their privately owned cattle to Pskov Oblast and to sell it there. However, to the rayon authorities this means a direct violation of their meat procurement plan. Therefore, they set up a militia block. They tried to hold the peasants back, after which they themselves were arrested. A joke is a joke but, essentially, this was a violation of the Constitution.

Another more serious case occurred in Tartu. Here the system was introduced of selling meat products only by producing a certificate of city residency, which turned stores into customs offices.

From a purely human viewpoint such efforts can be understood. When a person can see that there is less and less meat in the stores while meat products are being exported (Estonia produces more than 140 kilograms of meat per capita; the republic retail trade and public catering stocks keep about 80 and, furthermore, according to our estimates, purchases from the outside account for another 15-16), the individual develops the desire "to eat all of it himself." The specialists realize, however, that this is neither possible nor profitable.

Generally speaking, all such conflicts can be reduced to a single problem: the purchasing power of the ruble. It would be in our best interest is to have a strong and, desirably, convertible ruble. If we have a strong ruble, i.e., a normal commodity backup for income, identical for all parts of the country, the people will develop a real economic incentive: their interest in the organization of interregional exchanges will increase sharply, and their aspiration to set up closed local markets will disappear.

Suggestions on the introduction of republic currencies would mean, from the economic viewpoint, bringing to its logical conclusion the system of cards, certificates, export prohibitions, and so on. An effort is being made to streamline monetary circulation and trade in the

republic and to reduce scarcity and, therefore, to strengthen labor incentives. However, this is a problem which must be solved not on the local but on the Union level.

Economic profitability from the introduction of a republic currency, i.e., of settling the problem of scarcity and strengthening labor incentive, assuming that this is possible at all, would by no means eliminate purely economic losses and the cost of introducing such a separate system of monetary circulation, the exchange of one currency for another, accountability, and so on. Let us not even mention the tremendous political harm which this would cause, added to increased reciprocal mistrust and alienation among peoples!

The proper understanding of the idea of regional cost accounting provides an opportunity to consolidate the interests and objectives of the entire republic population and to direct it toward increasing production efficiency and improving living standards not separately from other republics but on the basis of a mutually profitable equivalent trade and financing participation in the solution of the most important Union programs. The recently published draft General Principles of Restructuring Economic Management and the Social Sphere in Union Republics On the Basis of the Expansion of their Sovereign Rights, Self-Management and Self-Financing provides a good foundation for solving such problems. Today we must discuss this draft calmly and impartially in order, finally, to achieve a reciprocal understanding in this most important area of our social life.

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### **The North Does Not Forgive Errors**

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[Public Opinion Survey]

[Text] In this issue the section "Public Opinion" deals with a single topic: the problem of the development of the northern areas. It is no secret that for many long years the life of northerners and the development itself of this huge area of heterogeneous conditions has been depicted mostly through the lens of enthusiasm and romanticism. Now, finally, the discussion has become more practical and frank, as confirmed by the mail received by KOMMUNIST. The articles and letters of people living in the North or people who professionally study its problems express a variety of frequently opposite viewpoints. However, they show the same type of interest in the most efficient and sensible solution of the problems existing here and the long-term tasks, the solution of which would benefit both the economy and the people.

Following are some of the materials received by the editors.

### **The Readers Reason, Argue, Suggest**

N. Denisov, candidate of economic sciences, head of sector, RSFSR Gosplan Central Economic Scientific Research Institute: At What Cost?

With every passing year the development of the northern territories is becoming increasingly relevant. They already account for two-thirds of the Union's petroleum and natural gas extraction. The North means diamonds, gold, nickel, tin and coal. It means superior grade timber, game and fish. Many of its resources are as yet to be put on the service of the people.

The tempestuous development of production forces in the northern areas led to a significant increase in population. In the 1960s-1980s alone it more than doubled in the Extreme North and areas of equal status. In frequent cases the development of such areas has been identified with the extent of their settling. Development plans have been formulated and are being debated on establishing processing industry sectors here, which would demand ever new workers. In this case are we not confusing aims with means?

In our view, the development of the North is a harsh necessity. This area is far from ideal for human life. For many people a lengthy stay in this area results in severe worsening of their health, something which we all too frequently ignored in the past. Furthermore, every new settler of this area costs the national economy a great deal. For example, construction costs of housing, schools, movie theaters and other social amenities, even in the relatively well-settled Murmansk Oblast are almost 50 percent higher than in the central area of the European part of the country; they are more than triple in Yakutiya and Magadan Oblast. The cost of such construction drastically increases as we advance toward the North and leave main transportation facilities behind. At the beginning of the 1980s the cost per square meter of housing in Urengoy was almost 900 rubles. Perhaps we should stop boasting of the fact that it is precisely in our country that the biggest city in the world beyond the Polar Circle is to be found. We are paying too high a price for this in terms of materials and, above all, the lives of people!

In the past 20 years the dynamics of growth of the goods produced here differed only slightly from the increase in population. However, during that period of time labor productivity per worker increased substantially. Therefore, for every person directly employed in the extraction of natural gas, petroleum, coal and ores, there is an increasing number of nonworking members of his family and managers employed in the production and social infrastructure areas. Such methods in the development of a territory, which may be admissible in the overpopulated Central Asia, are totally inadmissible in the high latitudes. As in the past, we are extracting the resources of the North by the force of numbers rather than skill.

Many ministries and departments have opened here a huge number of offices and establishments and repair and auxiliary subdivisions which, from the standpoint of national economic efficiency should be located in the Southern areas (not to mention the fact that some of them are totally unnecessary intermediary units). Their servicing requires transport and developed social facilities. In all of Tyumen Oblast the industrial-production personnel engaged in gas extraction totals some 5,000 people, and the approximately same number are engaged in natural gas processing. Meanwhile, the size of the population in the gas extraction city of Novyy Urengoy alone reached the 100,000 mark in 1987.

The development of the social area cannot keep pace with the tempestuous growth of the population. With rare exceptions, the availability of housing, schools and cultural institutions for the northerners is much worse than in the moderate area. Thus, by the end of 1987 urban per capita housing in the RSFSR averaged 14.4 square meters of general-use area. It averaged 13 in Tyumen, Murmansk and Magadan Oblasts and 11.3 meters in Kamchatka. The development of a housing environment, which would specifically compensate for extreme living conditions is so far nothing but a "blue dream." Living amenities in many settlements and towns consist of barracks, few of which have running water.

Reality made clear that the usual stereotyped "territorial development" does not work in this case. The uncomfortable living conditions in this area require special approaches to the solution of the problem. We believe that we should not settle the North but put its resources in the service of the people with a minimal presence of man, for whom it would be preferable to live in areas with a kinder climate. Here we should have no more people than are necessary to develop the area's resources. However, those who truly must live in the high latitudes should be provided with maximally favorable conditions.

The choice of a strategy for the development of the North is made more difficult by the existence of objective contradictions between the interests of the specific enterprise and those of the state as a whole and of the northerner himself. Enterprises need stable collectives in which people would become well acclimated to living conditions and develop common interests. As a rule, concern is shown for the worker only as long as he is employed at a given production facility.

The individual himself is given many incentives, material above all, for remaining in these areas over long periods of time: wages, which are increased on the basis of "northern seniority," gradual improvements in housing conditions and some other benefits. In the course of time man becomes accustomed to local conditions, develops friendships and becomes involved in social life.

The position of the state as well is complex. On the one hand, it is interested in the high efficiency of invested funds and, therefore, in retaining the people here at work over long periods of time. On the other, this sooner or later turns into additional expenditures for health care, earlier retirement, and so on. Families living in the North greatly increase the need for nonproduction facilities, and women are frequently unable to find jobs. In Norilsk alone some 3,000 women are jobless.

Specific interests develop on the territorial level as well. Naturally, the local authorities are interested in having a stable population, a full infrastructure and a comprehensively developed economy. By no means do such interests always coincide with national economic requirements. However, they influence the choice of strategy in the development of the northern areas and must be taken into consideration.

Naturally, the North is not homogeneous in terms of climatic conditions and transport accessibility. It is on this basis, as well as on the basis of production specifics, that the principles governing the development of each zone in this vast area must be defined. For example, it would be expedient to develop old settled areas in Arkhangelsk and Murmansk Oblasts, the middle reaches of the Ob and Yakutiya, where the bulk of the population is permanently settled. This area can be developed with traditional-type towns and settlements. Here the development of a processing industry based on local raw materials would be justified.

However, the farther North and Northeast we go, the less favorable such conditions become. Thus, in the largest to Urengoy gas deposits, which are being currently actively developed, during 10 percent of the time the temperature drops to -40 degrees Celsius. In those areas periodically replaceable population and shift work methods are preferable. At the present time the construction of a number of very large petrochemical complexes is being planned for this territory, which will require the building of large cities with a permanent population. But is man himself taken into consideration in this case? Have the huge additional cost of providing acceptable living conditions here been considered? Is it all that necessary to build such production facilities in such inhospitable areas? We believe that there should be no haste in such cases. There is still time comprehensively and thoroughly to review such large-scale projects.

The Arctic Rim (other than Murmansk Oblast), northern Yakutiya, the hinterland of Magadan Oblast and Chukotka are rated as areas with extreme conditions. That is why the development of the natural resources of these territories should be based on relay-expedition methods; the creation of major permanent settlements would be justified only under exceptional circumstances, if resources are maximally concentrated and cannot be developed without the help of a permanently settled population.

I am far from idealizing the term work method. It has objective shortcomings (and, furthermore, is frequently misapplied). Its merits, nonetheless, are clearly greater. Sociological surveys of term workers and members of their families indicate that the overwhelming majority of them unquestionably prefer this method. The disadvantages in this case are largely due to the fact that such stint is frequently organized not on the basis of serious studies and computations but on the basis of what appears simpler and more convenient to ministries and departments. The term workers developing the Tyumen North live primarily along the Volga, in the Ukraine and even in the Transcaucasus. In the mid-1980s brigades flying in from Bashkiriya, Belorussia and Tatarsiya accounted for one-third of the drilling operations here. Naturally, such flights are costly to the state and tiring to the individual. It would be sensible to set up a network of base cities in the southern part of Siberia and the Far East, so that the people could commute within the same time zone and the trip would not take more than 3 hours. Therefore, in drafting programs for the development of the northern areas, it is important for each one of them to contemplate the respective development of towns in which the people who are developing it on the basis of term contracts would live.

At the present time, however, a program for the development of the Arctic has already been formulated and is fighting for the right to live. Its authors plan to build along the edge of the Arctic Sea "multifunctional type" towns. This will require investments running into the billions of rubles. Why is this necessary? It is not warranted by serious economic considerations. I believe that the project's authors themselves realize this. The following argument is used: settling the Arctic Zone is extremely necessary in order to strengthen the defense capability of our country. In the past such an argument would have been considered irrefutable and would immediately put an end to any discussion as to the expediency of the project. This has frequently been the case. Today, however, we have the right to ask: How can this actually strengthen our defense capability? Is this not the latest "pit" into which huge funds will be poured, funds which are so urgently needed to improve the living standard of the people and modernize production capacities (without which it would be hardly possible also to speak of strengthening the country's defense potential)?

Why are large cities being built where their development is clearly inexpedient? One of the reasons is found in the history of the development of the northern territories, in which stationary settlements with a permanent population were the only possible way of developing natural resources. This is followed by the snowballing effect: a developed infrastructure with an existing construction facility draws other organizations into the new city. Its increased population requires further investments in housing, transportation and sociocultural amenities, and people to service them. The individual interests of the organizations become more important than those of the national economy.

Paradoxes develop. Several years ago the construction of the Nadezhdinskiy Combine was completed in the Norilsk area and a sizable number of construction workers became free. At that point it was decided to organize a "reverse stint:" they flew from the North to the South, to Krasnodar Kray, to build local projects. From the viewpoint of the state this is an absurdity. From the departmental and narrow-group viewpoints, this decision is considered justified. Such an "experiment" is being successfully duplicated. Thus, the coal mines are already hiring northerners to solve problems in the Kuzbass.

The growth of the northern cities is clearly related also to the lack of proper housing in the moderate zone. Is this not a paradox: no funds and facilities are available for building housing for people who live in normal climates while the state is spending substantially greater funds building for them uncomfortable temporary housing in the North?

It is to be hoped that cost accounting would bring the interests of the state closer to those of the northern enterprises: it would force them to adopt a manpower conservation policy and seek more efficient choices for the development and location of production facilities. However, cost accounting for the North is as yet to be properly developed, for it is important not only to take into consideration the higher cost of resettlement and maintenance of the social area. We must learn, once and for all, how to estimate the cost to the state of the exhaustion of the resources of the human body, the reduced work capability of the people and early retirement. Unquestionably, a serious economic approach in this case coincides with a moral one: actually, as we are beginning to realize, they are rarely conflicting. How can one speak of the low cost of many types of raw materials extracted here while ignoring the actual cost of labor?

Let us not think that the supporters of the traditional approach to the development of the North lack strong arguments. The concept of the gross output has still not been eliminated and the millions of tons and cubic meters of raw materials additionally extracted are given the habitual praise and awards and rarely is the question "for what price?" asked. To this day information concerning one of the leading sectors here—nonferrous metallurgy—is still stamped "secret," although in the majority of cases its importance to the country's defense capability has long failed to exceed that of, shall we say, steel smelting or gasoline production. The veil of secrecy makes it possible to conceal the real price we pay for the gold, nickel and tin and justify any plans the department finds suitable.

The new ideology and strategy of economic development are only beginning to take shape. What is clear, however, is that this strategy is based on cost accounting, i.e., above all it indicates a shift from laudatory reports (for which the development of the North and work under extreme conditions provide favorable grounds) to honest



figures and an objective comparison between costs and results. Our thinking is being restructured sluggishly. Concern for the people has still not become the determining factor in choosing the ways of development of the northern territories. However, that is what it must become.

V. Kalyakin, candidate of biological sciences, senior scientific associate, USSR State Committee for Protection of Nature Scientific Research Institute for Protection of Nature and Preserves: Departmental Variant for Yamal.

The first mention of laying the Obskaya-Bovanenkovo-Kharasavey Railroad appeared in our press in the spring of 1986. Whatever else followed could be confidently classified as "departmental games." Although the track had already been designed by the engineers, the USSR Academy of Sciences Computer Center nonetheless assessed which of the various options (there were four at that time) would be preferable, including from the ecological viewpoint. Somewhat later, by the end of 1987, yet another curious document showed up: the conclusions of the expert subcommission of the USSR Gosplan GEK. Although the commission did not include a single ecologist, biologist or environmental specialist, even it was forced to note that the "technical-economic substantiation was based on the criterion of minimum construction and operational outlays, ignoring options involving the effect on the environment and related socioeconomic factors which determine the living conditions of the native population." Meanwhile, construction went on.

Most of the track will be laid on the Yamal Peninsula. Conditions here are very difficult. Loose sedimentary rock is 70 percent water saturated. The mostly flat areas abound in lakes and swamps. The thin soil and vegetable cover is easily disturbed and its healing is exceptionally slow. In the past Yamal was famous for the abundance of game and fish and was noted for by the purity of its rivers and lakes. This delicate balance, however, was disturbed, and the changes proved catastrophic to the native population. The ethnic population turned out actually deprived of the ecological foundations for its survival. Now comes the railroad, the laying of which will worsen the ecological situation even further, for it will substantially change the water flow system over huge areas. The pasture land will be swamped and fishing resources will diminish. The legitimate question arises: Is this railroad needed to begin with?

For a variety of reasons the engineers would like a gas pipeline to be laid from Bovanenkovo across the Baydaratskaya Inlet, to Khalmer-yu. For that reason the rail and gas tracks will run parallel along most of their length, which will create an additional difficulty for the ecology. Furthermore, the railroad will not be able to haul the freight needed by the gas workers and it will actually be used only to transport the shift workers. Is this amenity not too costly?

Also totally unresolved are the purely technical problems related to the extraction and transportation of the natural gas. Would it not be more sensible, during the first stage, to start the development of the deposits on an experimental basis, to develop the necessary methods and only then to liquefy the gas as closely to the deposit as possible (perhaps in Kharasavey), and then haul it by sea. A great deal of labor and funds could thus be saved and most severe ecological and socioeconomic consequences avoided!

Has the time not finally arrived to realize that nothing in the biosphere which helps all of us to survive is accidental. All resources are functional parts of an environment, the development of which has taken billions of years on the basis of objective laws. A great deal of patience and tactfulness are needed in order to preserve it for our descendants.

**Editorial note:** This issue was already set for printing when the announcement was received that the USSR Supreme Soviet Presidium had decided to halt the industrial development of Yamal because of the insufficient substantiation of the project. We hope that when the full set of arguments comes up for review, the view of our author as well will be taken into consideration.

G. Agranat, doctor of geographic sciences, consultant, USSR Academy of Sciences Institute of Geography: Practical Experience and Prospects

Unquestionably, the development of the North will require a specific economic, scientific and technical, ecological and organizational-managerial policy. Similar problems are being solved in the northern areas of the Scandinavian countries, in the United States (Alaska) and Canada which, which are similar to ours in natural and economic conditions. That is why the study of both domestic and foreign practical experience is quite useful.

One of the most important, if not the most important, problem is related to the characteristics of economic policy, investment above all. Historical and contemporary experience (both domestic and foreign) indicates that major and long-term economic and scientific and technical pioneering projects require a specific regulatory base. Such projects in addition, let us say, to space flights and the use of the world's oceans, would legitimately include the development of the North, where computations based on uniform plans and criteria cannot be used at all.

In the United States, Canada and the Scandinavian countries, the state gives the North considerable and, to say the least, much greater aid compared to the older inhabited areas, in a great variety of forms, such as direct subsidies, loans to private companies, tax advantages, subsidies to enterprises operating at a loss, and direct participation in developments. Of late a new form of state support is becoming popular: the organization, based on tax withholdings, of companies which exploit

the resources of these areas, and target (so-called regional) funds, used by the local administrations to support individual economic sectors.

Big companies as well have begun to give greater thought to long-term prospects. The old stereotypical view that capitalists invest money only where they can quickly extract maximal profits is by no means always accurate. For example, many billions of dollars are being invested in surveys and preparation for the development of petroleum and gas shelves in the U.S. and Canadian Arctic, although they will become profitable in 20 to 25 years. A longer amortization time is granted in running northern enterprises, compared to the already settled areas.

In the overwhelming majority of cases, however, such capital investments are recovered quite profitably, as the Alaskan experience proves. Before major oil deposits were discovered here in 1977, it had a great deal of difficulty in making ends meet: 30 to 40 percent of its income came from federal subsidies. Today such subsidies have dropped to 10-12 percent and by 1985 Alaska had been able to "deposit" \$6 billion into its regional fund, which is a substantial amount of money on the scale of that state.

The study of foreign experience can be very useful in the application of new approaches to the development of the Soviet North. Under existing conditions, many enterprises today would be unable to operate on a cost accounting basis, self-financing and self-support. Naturally, in frequent cases the reasons for this are poor work or essentially remediable features, such as imperfect price setting (lower prices are charged for ore mining and industrial commodities produced in the North). Frequently, however they are the result of serious objective circumstances related to the development of uninhabited territories.

State help is needed in such cases, in order to ensure the normal functioning of the enterprises and, particularly, in order to secure the long-term development of the territory. Generally speaking, this is the right approach from the political and economic viewpoints. Under standard economic management methods, objective "external" conditions make industry in the North more expensive than in the moderate zones. This means an essentially differentiated rental, and its redistribution through the entire country is legitimate.

The way the rather difficult question of governmental incentive for the development of the northern areas will be solved is a different matter. One very expedient way is setting up special financial funds for the comprehensive development of the territory, to be handled by the local soviets of people's deputies. We should probably consider setting easier rates pertaining to the efficiency of capital investments, crediting, and amortizations. It may be necessary to use budget subsidies for some enterprises or selling them machines, equipment and

materials at reduced wholesale prices. All such benefits must be strictly differentiated according to the natural-geographic conditions of the area, its development stage and the level of development of the territory. The conversion of northern production facilities to self-support and self-financing should, in this case, be accomplished quite cautiously and, best of all, gradually. Let us emphasize the danger of a stereotyped financial and economic approach to the difficult problem of the development of the northern areas. The production infrastructure sectors are those which need economic support the most. It is common knowledge that their lagging development is one of the worst problems of our North.

The optimal structure of the economy is a particular problem. Traditional economic computations indicate that in the majority of cases the development of the new areas is justified only in terms of extracting available raw materials; the development of a processing industry or of any other type of production is unprofitable. Generally speaking, this is indeed the case and, in all likelihood, in the foreseeable future the northern areas will remain primarily raw material and resource-generating regions. However, trends toward a certain expansion in the economic structure appear as a result of the large-scale development of territories, an increase in their facilities and further scientific and technical progress.

For example, American and Canadian scientists have long thought also of developing in those areas reserve economic bases unrelated to the extraction of raw materials and fuel. This is particularly relevant by virtue of the fact that the ore mining industry in Alaska and the Canadian North are totally dependent on the exceptionally unstable situation on the world market. With the exhaustion of the oil deposits in Alaska, according to local researchers, the state could reach a condition of "economic collapse." The purpose of the regional funds we mentioned would be, as planned by administrators and business circles, to prevent any possible decline and to subsidize the development of new industries, including enterprises operating with imported raw materials. Today the appearance of "Klondikes" or "ghost towns" is dangerous both socially and politically.

Clearly, such trends must be taken into consideration by us as well. Mineral deposits and timber resources, however substantial they may be, are, in the final account, exhaustible and, sooner or later, we shall have to think of a new economic foundation for the development of resource-bearing areas. Actually, this need could appear for other reasons as well, should there occur changes in demand or in the prices of various types of raw materials and fuels.

It is as of now that we must begin to think of the future of the northern areas, for their importance is determined not only by vital tasks but also by broader aspects of a global long-term nature. We must consider particularly

closely the need for a flexible approach to the solution of socioeconomic problems and the cautious, and considered combination of centralized planning with economic independence.

S. Navasardov, doctor of medical sciences, head of the group for demographic research, USSR Academy of Sciences Far Eastern Department Institute of Biological Problems of the North: Man and His Protection

Socially, our Magadan Oblast is an area in which the notorious residual principle, multiplied by the problems of a northern peripheral area and a tragic past have become interwoven and have piled up on the social level. Understandably, man is in the center of this tangle. How does he live, what keeps him in this harsh area? What does he want, what dreams does he have? I have lived here for almost 40 years and, particularly in recent decades, have dealt professionally with demography and sociology and have tried to answer these questions. By no means is everything clear. I am certain of one thing: the problems of social justice and social protection in the North are much more pressing and relevant than in many other parts of the country. For that reason, the higher pace of economic development of the northern territories presumes, above all, paying greater attention to the solution of social problems.

Naturally, such problems cannot be resolved in a single day. Nonetheless, a great deal could already be accomplished. In order for the steps we are taking to yield the necessary results, we must take into consideration the demographic processes which are taking place in our area. Let me make particular mention of them.

Usually, we classify as northerners people who, at different times and for a variety of reasons, found themselves in the North: pioneers and their descendants, people who have lived here several years and new settlers. Together with the native population, in Magadan Oblast we number about 560,000.

The increased share of old residents is a positive factor from the viewpoint of shaping the population structure. It is true that if we compare data on the length of stay of people in other parts of the country, our oblast is far behind the other areas of the Far East, not to mention of the "continent." The percentage of children and adolescents and people past their active age is increasing; the sex structure is becoming equalized gradually, whereas in 1959 women accounted for no more than 44 percent of the total population. The percentage of second generation children in Magadan Oblast is increasing steadily. In Magadan, for example, in the past 10 years their number has more than doubled, accounting for one-quarter of all newly born children. Furthermore, increasingly people are coming here with their families, with their children. This has created major difficulties in providing preschool and educational institutions. The housing problem has become even more aggravated, the

more so since the scale of the demolition of barracks and old buildings has increased. Today we are in the last 10 percent of the Russian Federation in terms of housing availability.

Every year about 100,000 people become involved in intraoblast and interterritorial migrations. This phenomenon was noted in the past as well. However, the level of settling of the thus involved population has declined sharply. Whereas in the 1960-1975 period it took between 400 and 700 resettlers for a migration increase of 100 people, the figures rose to 500-900 for the 1976-1983 period and 1,500 to 1,600 for the 1984-1986 period. The least stable group is that of the active-age population in which the share of local residents is not even 9 percent, although this is of particular interest from the viewpoint of ensuring the availability of cadres for the national economy on a long-term basis.

The main task, therefore, is less that of involving than of retaining and employing the interested people. Based on the results of our study, it is clear that more than 40 percent of those who come to the oblast go back to the "continent" within a 3-year period. One-half of them leave the very first year. This is the so-called circulating population and it is precisely that population that should be the target of the greatest attention.

What do these people leave? Why is it that people, after making the serious decision to resettle in the North, leave it so quickly? Alas, the main reason is trite: disappointment. Conditions are harsh, there is no housing and nor is any anticipated for the immediate future. The work is hard and the salary additions in the first years are not all that substantial. Furthermore, they are absorbed by the higher cost of life of the region. Inherent in young people is the aspiration to have everything instantly and yet the North is the least capable of satisfying this wish. Therefore, the people become disappointed and buy their return ticket.

Can the situation be changed? It can, in my view, but an entire array of steps must be taken to this effect: material incentive must be increased, wage supplements for the first 18 months must be doubled without subsequent changes in current procedures and the sum total of supplements, or else in the period during which the remaining share of wage supplements must be extended; paid leave must be granted not after 3 years, as is the case today, but after 1.5-2 years, without changing the duration of the labor contract which is no less than 3 years. A variety of combinations in this case are possible.

What can we expect in the future? Naturally, a great deal will become clear as we study the census data, which will enable us to project more reliably the further development of the population for the next 5 to 10 years, while at the same time undertaking more extensive sociological studies. The problem, however, is that the conversion of enterprises to self-financing and self-support has already now raised a number of difficult social problems

which require sensible and considerate decisions. We may have a situation of instant manpower surplus and 1 or 2 years later, once again, the need may arise for the additional recruitment of such manpower drawn from the central parts of the country.

For a long time the belief prevailed that the mortality level in the North was low. We established, however, that the negative demographic trends of the 1970s were manifested most tangibly in the Northeast. Compared to the preceding decade, the nominal lowering of the life span potential in 1978-1979 among men and women were substantially higher compared to similar data for the Russian Federation as a whole. Given the current relatively low infant mortality indicator in the oblast, the negative aspects become apparent through the reasons for mortality. Congenital defects alone, which are a clear reflection of genetic factors, were the reason for the death of children under 1 (in relative figures) higher by 50 percent compared to newborn children in the RSFSR. Serious medical and biological developments, genetic in particular, including cytogenetic studies, and monitoring and consultation aid to the population are needed. For the time being we cannot boast of any major successes or significant efforts in this area. Therefore, in the future as well we shall have to limit ourselves more to taking notes than to influencing the situation.

Most of the people who come to us are physically healthy although we must stipulate that so far neither criteria for psychophysiological selection nor clear selection parameters exist. Furthermore, organized recruitment has been reduced to a minimum. The overwhelming majority of the people come on their own initiative, having made this decision not always in a responsible and considered fashion. The North, however, does not forgive errors and blunders. The very environment here contributes to the aggravation of social excesses: the long Polar night, replaced by a Polar day, the unsettled way of life, difficulties in the organization of recreation, particularly in the small settlements, hard working conditions, and a tiring wait for the leave due after 3 years....

To purposeful people with a strong spirit, such difficulties are surmountable. Unfortunately, however, it so happens that some people "break down" and seek an answer in the bottle, with all inevitable consequences. Until recently, mortality in Magadan Oblast, caused by accidents and poisoning was among the highest in the country, shortening the life span of men by 6 years. Here the percentage of people suffering from chronic alcoholism and related psychoses is 40 percent above the republic average.

Studies have shown that the immune system is more sensitive than other in the human body. Today we are forced to note the existence of immunodeficiencies as a result of the stress of immunogenesis, as confirmed by studies conducted by specialists on the cellular and molecular levels. This is related to the influence on man of a set of adverse natural, weather and social factors. We

could sum all of this as the concept of the syndrome of the northern ecological (or, more accurately, socioecological) immune deficiency. This deficiency has a particularly strong impact on the growing generation. In that sense Chukotka stands out, where during the year mass repeated (up to 6-8 times) cases hospitalization of children have been recorded, caused by the same infectious disease, with a chronic course of development and recurring phenomena and complications.

Unfortunately, our knowledge in this area is by no means adequate although we know that not only children but also many people past the age of 40 need immunocorrective treatment. We need further intensified studies. Yet, Magadan Oblast lacks an immunological service and there is no one to deal with treatment and prophylactic work in this area or even to provide consultations and identify higher-risk groups. We must substantially increase the production and use of available immunomodulating agents and seek new biologically active substances which, without harming the health, could be applied under northern conditions. Although this should be imminent (let us hope so!), it is nonetheless still in the future. And what do we have today? What are the forces today watching over the health of the northerner?

The oblast has about 1,000 medical and prophylactic institutions of different types and purposes, which include more than 90 hospitals with a total of 8,700 beds, and hundreds of polyclinics and outpatient clinics. This is both good and bad. It is good because to a certain extent, although by no means sufficiently, skilled and specialized medical aid is coming closer to the population. It is bad because this forced measure scatters forces and facilities among 250 settlements, something which, in turn, affects quality.

Nonetheless, we cannot abandon the small hospitals, considering our huge distances and the absence of roads. However, we cannot keep some very specialized physicians in settlements of 2,000 or 3,000 people. That is why, more than anywhere else, the North needs integrated knowledge, people who practice general medicine.

The press has extensively discussed problems of health care pertaining essentially to the central areas and large cities. But what about the North? Under our circumstances, the possibility of choosing a physician is limited or even excluded; there are no polyclinics for pay or private medical practice. At best, some such truncated help may be found only in towns whose population, altogether, accounts for one-third of the entire oblast population.

The catastrophic situation of medical cadres creates a permanent stress in the local health care services. The oblast is short of more than 500 physicians, i.e., 20 percent of the number stipulated in the regulations. The main reason is that same lack of housing. Year after year requests for young specialists are not being met and those who come here prove unprepared for work under

northern conditions. In the remote settlements, where no experienced colleagues or contemporary diagnostic equipment are available, the helplessness of yesterday's graduates becomes obvious, with all the entailing consequences both to them and to the patients.

It is true that there are medical units, the so-called mobile outpatient clinics. Can they solve these problems? They cannot, because above all they service the reindeer breeders and hunters. Furthermore, the possibilities of such detachments are very limited in terms of cadres, equipment and transportation. With good weather and available transportation, a great deal of time is spent in the examination of brigades within a single kolkhoz. Yet there are more than 250 reindeer growing brigades in the oblast.

The study of socioeconomic and demographic processes which are taking place today in our area leads to the conclusion that we must urgently demand of party, soviet and economic authorities, both central and local, to pay greater attention to the problems of northerners. The principles of social justice make it necessary to do everything possible for the people who live under difficult conditions and who pay with their health for each gram of most valuable resources extracted here.

#### Answers to our Publications

Response by V. Dmitriyev, candidate of economic sciences, assistant at the laboratory for economic problems of the North, Scientific Research Institute of Economics and Organization of Agricultural Production in the Nonchernozem Zone of the RSFSR, and K. Klovov, candidate of geographic sciences, associate in the same laboratory, to the article "Big Problems of Small Ethnic Groups," by A. Pik and B. Prokhorov, published in *KOMMUNIST* No 16, 1988.

In the last few decades a durable stereotype of relations toward the small ethnic groups of the North developed, as targets of management rather than independent subjects of development capable of solving their own problems. They have two choices: either to adopt the European way of life and gradually blend with the bulk of the country's population demographically, economically and culturally, or else to preserve their originality and autonomy and to develop their traditional economic and cultural forms which, naturally, does not exclude reciprocal enrichment with the achievements and spiritual values of others. Both ways have their advantages and disadvantages, and each ethnic group, even the smallest, should have the right freely to choose the path which it finds preferable.

We must point out that in an age of major and minor ecological crises, the protection and further development of the traditional utilization of nature by the ethnic groups of the North, which comes closer to the right balance and ecological standards, could substantially

contribute to the development of a new type of harmonious relations between man and nature. Possibly, the thousands of years of contact with nature under harsh and sometimes extreme conditions would make it possible to find a new approach to the creative cultural and ecological development of the environment and clear our minds from the concept that man's increased interference in self-regulating ecological systems is inevitable.

Recently an all-Union scientific conference was held in Novosibirsk, the purpose of which was to discuss the draft Concept for the Development of the Ethnic Groups of the North for 1990-2010. We believe that the main target of the conference—to formulate a uniform concept for all ethnic groups of the North—was essentially wrong. To begin with, a single approach and therefore a single concept is, generally speaking, impossible. Each nationality (and, in some cases, even each ethnic group) must independently choose its own way. This means that there can be as many decisions as there are ethnic groups. Secondly, it could make one decision or another through its own representatives rather than at a scientific conference in which no representation of all ethnic group can be ensured.

At the present stage the task of the scientists is different: To formulate a concept for state programs for assistance in the development of the native population of the North. The precise formulation "assistance in the development" is quite important in this case and reflects the essence of the matter. The purpose of such a program, in our view, should be to create the necessary conditions and lay the socioeconomic grounds on which the growth of the social activeness, initiative and self-awareness of the population of the area become possible and not at all to assume their functions and to try to solve their problems.

The formulation of a program should take place with the active participation of the northern peoples. We must try to turn this process into a productive dialogue between representatives of state authorities, and scientists and the social organizations which are protecting the rights and interests of the native population.

Response by M. Khotin, candidate of geological and mineralogical sciences, Lavrentiya Village, Magadan Oblast, to the article "Alternatives in the Power Industry" by V. Lyatkher, *KOMMUNIST* No 14, 1988.

I am a most enthusiastic supporter of the proposals submitted by Professor V. Lyatkher on the development of wind power in our country. In areas such as East Chukotka this would solve an entire set of problems. The tremendous scarcity of electric and thermal power, are generated with expensive imported fuel, is holding back the development of construction, cement, ore mining and other sectors, which are of such great importance to our area. On the other hand, the Chukotka environment

is easily disrupted and painfully reacts to any human interference, particularly on a large scale, such as the building of hydroelectric power plants.

Nonetheless, work has already been started on the technical-economic and engineering substantiation of the building of the Amguemskaya GES, which will provide no more than a partial solution to the energy problems in this part of the country. However, the incalculable negative ecological consequences of the implementation of this project are clear. Even a single one of them, such as the icing of the huge tundra in the lower reaches of the Amguema River, which would inevitably be flooded as a result of the melting of the permafrost under the water reservoir and the raised level of ground waters along the entire river valley, are reasons for the energetic rejection of this variant. Debates on this subject have gone on for quite some time in the okrug and oblast press. However, this seems to be of little concern to the builders, and the work goes on.

However, a solution is possible, for it is precisely in the eastern part of Chukotka that strong and steady winds are typical. They are an inexhaustible and ecologically clean power source. What if the huge funds allocated for the building of the Northeastern GES are channeled into the development of wind power? A regional association of independent scientific laboratories, design economic organizations and manufacturing plants and construction companies could undertake the implementation of this project. Such an association could be set up on the basis of leasing-contractual relations. Its task would be to design, manufacture and build a grid of wind-powered generators along the Arctic Coast and along the shores of the Bering Sea. The turbines could be connected to small hydroelectric power plants, which do not require water reservoirs, or to temporary diesel or existing thermoelectric power plants. Naturally, the economic activities of such an association will require outlays at its initial stage but the very fact that one could eliminate the need to import coal and most of the diesel fuel would in itself yield major savings.

There is another argument in favor of wind power. The building of a cement plant has been undertaken in Magadan Oblast. The overall cost of the project is about 400 million rubles. The construction will last 119 months and capital investments will be recovered in 36 years! Would it not be better to build several cement plants of low or medium capacity wherever raw material facilities exist and to power them with wind energy. In my view, this would be economically much more profitable, the more so since this would significantly shorten the time needed for the recovery of investment of both wind power generators and cement plants. This would allow the region to solve many problems and, above all, to protect the Chukotka environment.

[Editorial note] Most of our readers, who responded to the article "Alternatives in the Power Industry," who included many specialists, supported, in principle, the ideas of Professor V. Lyatkher on the unquestionably

need to develop wind power. They emphasized perfectly accurately its advantages, such as ecological cleanliness and renovation of resources. Furthermore, wind power is one of the most promising trends in areas in which fuel procurements are difficult, the readers note.

There were also objections, however, which can be summed up in the objection that one cannot consider wind power the solution to all of our energy troubles. Power shortages cannot be eliminated by wind power. "...Wind power resources are distinguished by their uneven yield in time and must be regulated," writes A. Sarkisyan, chairman of the Armgidroproyekt Technical Council. "The optimal development of a power association requires the sensible combination of all types of power resources typical of the specific area."

Equally important is the fact that today industry is simply not prepared to engage in the production of wind power systems. For the time being, it is a question only of making preparations for the manufacturing of experimental-industrial prototypes. "In this connection," notes F. Sapozhnikov, first deputy chairman of the USSR Minenergo Scientific and Technical Association, "the contemplated generating of electric power at wind power plants, totaling 50 billion kilowatt hours by the year 2000, remains so far unsupported by the possibilities for the mass manufacturing of powerful wind energy generators. Currently the situation is such that even the development by the end of the century of powerful systems capable of generating 1 billion kilowatt hours of electric power would require significant efforts." Professor F. Sapozhnikov further notes that even the most optimistic estimates lead to the conclusion that in the 13th 5-year period wind generating capacities for no more than 100,000 kilowatts will be installed in the country.

Other views exist as well. Nonetheless, the readers are unanimous in their belief that it is necessary to make all the necessary efforts to accelerate the development and series production of wind power systems. Even without becoming an alternative to other sources of energy, this would enable us significantly to increase the possibilities of our power industry.

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### **This Is Not a Gift!**

18020011i Moscow KOMMUNIST in Russian No 5,  
Mar 89 (signed to press 17 Mar 89) pp 75-81

[Text] The editors received a letter in answer to the economic survey carried in Issue No 2 of this journal. Following is its full text:

In issue No 2 for 1989 of KOMMUNIST, in his economic survey "The Economic Reform, Year 1," in a hasty and insufficiently considered way Ye.T. Gaydar,

candidate of economic sciences and editor of the political economy and economic policy department of this journal, without bothering to substantiate it, questions the expediency of the comprehensive development of production forces of Western Siberia and, particularly, Tyumen Oblast.

In his excitement, the author ignores the stipulation of the 27th Congress concerning the party's economic strategy, which calls for the accelerated and comprehensive development of various areas, and for taking energy-intensive production facilities closer to fuel and energy bases ("*Materialy XXVII Syezda KPSS*" [Materials of the 27th CPSU Congress], Moscow, 1986, pp 37, 145, 146, 317 and 319).

With the participation of the Tyumen Oblast organizations, in accordance with the implementation of the resolutions and with the ideas, suggestions and remarks expressed in 1985 by Comrade M.S. Gorbachev and in 1988 by Comrade N.I. Ryzhkov in their respective trips to Tyumen Oblast, the ministries drafted suggestions which were reflected in the USSR Council of Ministers Resolution On the Creation of Petroleum and Gas Chemical Complexes in Tyumen Oblast On the Basis of Hydrocarbon Deposits in Western Siberia, With the Use of Advanced Technological Processes. The following circumstances were taken into consideration:

1. The existence and deposits of raw material resources in Tyumen Oblast, which enable us to plan its comprehensive development for the period until the year 2000 and beyond it.

2. The existing raw material trend in the development of the oblast's industry today (to this day up to 12 billion cubic meters of petroleum gas is being burned, although this is a splendid raw material for the production of many types of plastics, fibers, dyes, and so on. Furthermore, this has an adverse effect on the ecological environment. Eighty percent of light hydrocarbons of ready chemical raw material are used only as fuel although global experience indicates that their chemical processing increases their efficient utilization by a factor of 10-15).

3. The fact that the development of the social area is trailing behind the needs of the working people.

However, instead of engaging in a serious analysis of the premises on the basis of which said resolution was passed, Comrade Ye.T. Gaydar limits himself to making interesting but incorrect comparisons and analogies with the cost of the transfer of the waters of northern rivers and the building of the BAM, along with self-flagellation, claiming that we do not know how to spend money, that we are poorly developing capacities and, in general, that it is time to find our way and bring order in the mechanism governing the adoption of large-scale investment decisions, for it is true that, more than anything

else, one should understand the situation. To begin with, he should have closely studied the resolution, at which point puzzling questions would not have appeared: Why build? Obviously, there would not be any need for inciting statements to the effect that such money could be used for housing, APK, machine building or something else.

The country will obtain a powerful production center which will manufacture new materials with unique features, including construction plastics, new types of synthetic rubbers and thermoelastoplasts, aromatic hydrocarbons, nontoxic additives for gasoline, which will create prerequisites for the acceleration of scientific and technical progress in machine building, electronics and the construction industry and ensure the production of new types of consumer goods.

Construction work for 20 billion rubles must be completed between 1989 and the year 2000, with the gradual commissioning of individual capacities 2 to 3 years after their construction has been initiated.

Furthermore, and fully consistent with the resolutions of the 19th All-Union CPSU Conference, which emphasized the need "to strive also to expand foreign economic relations with capitalist and developing countries on the basis of new reciprocal advantages" ("*Materialy XIX Vsesoyuznoy Konferentsii KPSS*" [Materials of the 19th All-Union CPSU Conference], Moscow, 1988, p 21), on the basis of progressive forms of cooperation with advanced U.S., Japanese, FRG and Italian companies, the plan calls for using their financial possibilities, technology and equipment in order to enhance the chemical industry to a qualitatively new technical standard and change the nature of the country's export structure.

Preliminary estimates indicate that within a period of 5 years the loans will be repaid and annual profits will average 4 to 5 billion rubles, including 30 to 40 percent of it in freely convertible currency.

The author fails to notice that some 23 percent of the overall volume of construction work will be earmarked for the building of social projects and that the plan calls for the building of 7.9 million square meters of housing, children's preschool institutions for 63,300 children, hospitals for 6,400 beds and polyclinics for 13,500 visits per shift, schools for 72,700 students, vocational-technical schools, technical colleges, pioneer camps, and preventive treatment establishments, and that by agreement with the Tyumen Oblast Executive Committee, capital investments will be made in the creation of auxiliary plots and the building of food and processing industry enterprises, such as bakeries, dairy and meat processing plants, and vegetable storing and refrigeration facilities.



The publication of such articles in the press seriously harms the acceleration of scientific and technical progress, the development of the country's national economy and the solution of social problems.

A negative reaction was displayed among our Western partners, which is fraught not only with foreign exchange losses but also a decline in our country's reputation.

**V.S. Chernomyrdin**, USSR Minister of Gas Industry

**V.A. Dinkov**, USSR Minister of Petroleum Industry

**N.V. Lemayev**, USSR Minister of Petroleum Refining and Petrochemical Industry

**N.M. Olshanskiy**, USSR Minister of Mineral Fertilizer Production

**Yu.A. Bespalov**, USSR Minister of Chemical Industry

**V.A. Bykov**, USSR Minister of Medical and Microbiological Industry

20 February 1989

**In order to let the readers judge for themselves about the essence of this difference in views, following is an excerpt from our economic survey, which triggered such firm objections:**

"If an example of the negative influence of economic anarchy on economic development were needed, it would be difficult to choose a better one than the situation which has developed in recent years in capital construction. Under the conditions of its excessively broad front, it is difficult to trace the link between the funds spent by the state and the results achieved in this area. Last year the completion of one-third of most important projects included in the nomenclature of state orders was not achieved. Above-rate volume of unfinished construction increased by more than 5 billion rubles.

"It was decided to freeze a number of major hydraulic projects which were doubtful from the viewpoint of their economic efficiency and ecological consequences. As a whole, the value of the frozen projects in 1988 reached 24.2 billion rubles. However, that same year new construction of industrial projects worth 59.1 billion rubles was undertaken.

"The budget approved for next year involves a deficit of many billions of rubles. Essentially we have acknowledged our inability to spend money as confirmed by the fact that major investment projects yielded no returns. Perhaps this is the very time to understand the reasons for the low efficiency with which state resources are used. For example, why is it that so far the capacities of 211 production projects in the chemical-timber complex, commissioned or reconstructed between 1981 and 1987,

have not been reached, and those of 170 other were not fully used. Why is it that those located in the RSFSR alone produced in 1 year goods worth 2 billion rubles less than planned? We must analyze and bring order in the mechanism for making large-scale investment decisions involving the appropriation of state funds, so that after the failure of the latest project we would not console ourselves with an interesting discussion among foreign trade departments, builders and customers as to who is to be blamed for the failure. However, a different method would be immediately to start a new construction project, compared to which the others would simply become unimportant. This applies to the creation of an entire series of very big petroleum and gas chemical complexes in Tyumen Oblast. This is a standard move. Billions of dollars will be spent. The volume of capital investments for this project exceeds the initial cost estimate of the construction of the BAM, made at the end of the 1960s, by a factor of 8. It can be compared only to the estimated cost for the transfer of river waters. According to the specialists, the overall actual outlays will, in all likelihood, once again turn several hundred percent higher than planned. For the time being, their precise estimate is impossible, for not even technical and economic substantiations are available. No one has determined what it is that we shall have to give up for the sake of such complexes: programs for increasing housing construction, enhancing the processing sectors of the APK, the development of machine building, or something else. Nonetheless, the construction is already under way."

One can easily see that in the letter sent by the six ministers to the editors the essence of the questions raised in that article is not discussed. They are proving something which the journal does not dispute but give no answers whatsoever to the questions which were raised in our survey. The journal stipulates that the construction front is excessively broad, and that installed capacities are used in a scandalous way while our respected opponents answer: everything which is being done is being done in accordance with adopted resolutions and for the good of the country. Let us point out that in the national economy everything is interrelated: when we initiate a huge project we must determine, to begin with, where to find the money. Meanwhile, we are referred to the text of the resolution according to which the Gosplan has been told to appropriate funds. There are no technical and economic substantiations for the project, but a decision has been made, our opponents opine.

Naturally, it is aggravating that for decades valuable chemical raw materials have been wasted. We would like this situation to be corrected as soon as possible. But then it would take hours to enumerate problems which are truly important and urgent and for the solution of which it would be proper to allocate the people's funds. Attention must be paid to schools, hospitals, protection of motherhood, pensions, trade, housing, roads in the Nonchernozem, the reconstruction of the domestic metallurgy, scientific instrument manufacturing, updating

rail transports, rebuilding the soil and developing telephone communications. The trouble is that the state pocket is not bottomless and that to achieve radical changes in all areas, immediately at that, is impossible. Therefore, priorities must be established and, again and again, expected outlays and results must be correlated.

Before solving the question of appropriating billions of rubles, it would make sense to determine whether there are enough raw materials, what is the scale of future investments, the state of demand on the world market, and expected dynamics of prices and income. These and many other data must be included in the technical-economic substantiation. It is only with their help that we can determine whether we need today some specific project, and is the suggested solution optimal? In some cases, usually on an exceptional basis, ministries are allowed to initiate construction without bothering with the preliminary gathering and analysis of such data.

Naturally, worldwide practical experience is aware of cases in which the reputation of a company is so impeccable and the efficiency of its decisions has been confirmed so frequently that funds could be appropriated for an exceptionally profitable project it may have conceived without asking for detailed explanations. In our case, do we have such grounds? Let us cite data from the USSR State Committee for Statistics:

**USSR Ministry of Chemical Industry.** Full cost estimate of construction in 1988: 9.8 billion rubles. Average delay in the actual course of construction behind schedule, 5 years. Largest project under construction in the sector (incidentally, located in Tyumen Oblast): Tobolsk Petrochemical Combine. The cost estimate for the first stage of its first part was 1 billion rubles. Less than one-half of the appropriated capital investments have been used in 15 years.

**USSR Ministry of Chemical Industry:** Total cost estimate of construction, 14.4 billion rubles. Average lagging behind deadlines, almost 6 years. One of the biggest projects under construction: The Khlorvinil Production Association (Kalush). The construction of the new capacities was undertaken in 1973. The cost estimate was 730 million rubles. The construction of this project is more than 7 years behind schedule.

**USSR Ministry of Medical and Microbiological Industry:** Total cost estimate of construction: 3.2 billion rubles. Average lagging behind schedules, more than 6 years. The Omutninsk Chemical Plant has been under construction since 1961. In 27 years only 70 percent of the allocated funds have been used.

Providing information about all projects whose construction delays, for the six ministries, is in excess of 5 years, would require a volume-size addendum to this journal. In the light of these facts it is difficult to avoid the impression that more appropriations in the billions

of rubles would be needed by the departments above all in order to conceal their failure to use already appropriated funds and avoid responsibility for this fact.

The biggest multinational corporations are scheduled to participate in the implementation of the projects. Practical experience indicates that, as a rule, they are none the worse off for it. As to their Soviet counterparts, a great variety of results are possible. They depend on the degree of competence of the apparatus of the respective authority and the extent to which it consistently protects the interest of the state. Before deciding to plunge into multibillion contracts, it would be useful to determine how the departments which are to take part in the deal have handled their foreign currency so far.

In the 1980s particularly major purchases of imported equipment were made by the USSR Ministry of Gas Industry. The time has now come to discuss their substantiation.

In 1983-1985 special equipment for the central repair workshops in Novyy Urengoy, Nadym, Chaykovskiy and Bryansk, worth 36.1 million rubles in foreign currency (which comes close to the cost of an average annual import of medicinal drugs from the developed capitalist countries) was purchased on credit from the Liebherr West German company, with a view to setting up repair workshops along the Urengoy-Uzhgorod Gas Pipeline. The guarantee of the equipment ran out in May 1987. The construction of the Bryansk Base alone was undertaken on 1 June 1988.

Between 1982 and 1984 the USSR Ministry of Gas Industry purchased from France gas cooling stations, worth 183 million foreign exchange rubles. The stations were to be completed by 1984. The company's guarantee ran out in August 1987. By the middle of 1988 not a single one of these stations had been completed. We are short of equipment worth 11 million rubles in foreign exchange.

This journal described the story of the purchasing of an inoperative control system for the Urengoy-Uzhgorod Gas Pipeline in 1982-1984 (KOMMUNIST No 8, 1988, pp 80-81). Instead of taking efficient steps to correct the situation, the USSR Ministry of Gas Industry and the USSR MVES limited themselves to corresponding with each other and submitting conflicting but invariably optimistic reports to the government.

In the four gas extraction and transportation associations alone, which were checked in 1988 by the People's Control Committee, imported equipment worth 228 million rubles idled for a long period of time. Meanwhile, the USSR Foreign Economic Bank has been punctiliously paying the foreign companies interest on the amount of credited purchases.

Naturally, we must point out cases in which equipment purchased with borrowed money has been installed, construction has been completed and production facilities commissioned.

Recently the official representative of the Foreign Economic Bank named the Astrakhan Gas Works as one of the greatest "successes" of this kind.

The cost estimate for its first part was 2.4 billion rubles. Technologically, it was based on imported equipment which was purchased between 1983 and 1985. By the end of last year, once again there were several discharges of hydrogen sulfide and an extremely high level of atmospheric pollution was recorded. On 19 November, the concentration of hydrogen sulfide and the Molodezhnyy Settlement exceeded the maximally admissible level by a factor of 310. In 1988 the plan for the building of environmental protection projects was fulfilled 70 percent only. The USSR Ministry of Health has persistently raised the question of the need to broaden the protected zone and the resettlement of the people. According to the plan, profits from the operation of the gas processing plant were to amount to approximately 50 million rubles in 1987-1988. There were no profits. Losses and the cost of repairs exceeded 56 million rubles.

Yes, a sober financier would require substantial guarantees before lending any funds to companies with such reputation.

Let us repeat once more: a professional discussion of the rightness of such a project is impossible without technical and economic substantiations. Nonetheless, since the construction is already under way, we should express a few considerations on its future.

**Cost.** The letter cites the figure of 20 billion rubles of construction and installation projects. Most of those outlays are not only construction projects but also the cost of the equipment. It is customary to calculate all costs which will be incurred and not one-half. It is currently planned to allocate for this project 41 billion rubles in capital investments (designers estimate the construction cost for transferring Siberian rivers to Central Asia at 13.8 billion rubles). Practical experience indicates that the actual outlays for the construction of the largest projects is, as a rule, double or triple the estimated figures. The best known examples of this are the KamAZ, the BAM and Neryungri. The study made by specialists from the USSR Academy of Sciences Institute of Economics and Forecasting of Scientific and Technical Progress indicates that this project is no exception and that the figure for the required capital investments has been obviously lowered. The effect of combining the unique features of the project with the difficulty of the work under extreme natural and weather conditions has not been taken into consideration. The high cost of developing an industrial and construction infrastructure has been ignored. Expenditures for the

construction of social projects have been substantially lowered. We anticipate that the actual construction cost will be between 90 and 100 billion rubles.

Comparing these figures with the expected increase of capital investments in the 13th and 14th 5-year periods leads to the simple conclusion that undertaking this construction project would virtually deprive the country of economic flexibility. In such a case both structural and investment policies will be subordinated to the creation of gas chemical complexes.

**Influence on the development of the chemical industry.** According to N. Fedorenko, a leading Soviet specialist on the economics of the chemical industry, the implementation of this project would make virtually impossible pursuing the only proven course in the development of the domestic chemical industry: the radical restructuring of existing sectorial production centers, where the use of obsolete, and resource- and energy-intensive equipment has become a source of ecological danger and social tension.

**Influence on regional development.** The level of concentration of investments in Tyumen Oblast is already extremely high. With the new decisions, it will reach unprecedented amounts. Approximately 20 percent of industrial capital investments will go into an area inhabited by 1 percent of the country's population. Manpower recruitments will have to be increased drastically (including families, 700,000-800,000 people). As in the past, the areas where manpower is already scarce, including the Nonchernozem Zone of the RSFSR, will be the main sources of migration. In order to provide the workers with normal living conditions, significantly greater capital investments for housing and social projects than contemplated will be required. The start-up of new huge gas chemical complexes will inevitably worsen the already difficult ecological situation in the area.

**Foreign economic aspects.** Large-scale purchases of equipment on credit will inevitably lead to a drastic increase of the country's foreign debt. Before taking this step, it would be logical to study the experience gained from projects of a similar economic content, carried out in Brazil, Mexico and Poland. We are well familiar with the mechanism of their failure, which has led to the uncontrollable growth of indebtedness. Money is borrowed on the basis of the current price levels on the world market for the goods to be produced by the enterprises under construction. When these capacities begin to produce, market availability increases and prices drop. In order to compensate for price drops and to repay the loan exports must be increased, which leads to a further drop in prices. Bearing in mind that a fast process of shifting the petrochemical industry to the developing countries is taking place, that the market is unstable and that competition on that market is increasing, and also recalling that in our country construction time exceeds stipulated standards by a factor of 2 or 3,

one could assume, with a high degree of likelihood, that as a result of the tremendous efforts made by the country, by the start of the 21st century it will have a production complex of a colonial type, after which it will take decades to pay for it by exporting its highest-quality products.

All of this reminds us of the system of shifting to the developing countries power- and material-intensive and ecologically "dirty" production facilities which reproduce the national economic structure of yesterday, guaranteeing supplies to the mother countries of inexpensive raw and other materials, a system which has been perfectly developed and is long familiar worldwide. One can easily imagine that by courting the purchasers of such commodities, foreign suppliers should tempt them with a great variety of facilities and advantages. In that case, however, we must be three times more exigent and cautious.

The suggested option is by no means the only possible way of using this valuable raw material. The specialists are discussing the expediency of creating a unified regional system which would unify production, transportation and processing in the southern part of Siberia. According to available estimates, it would be far less expensive to reconstruct operating petrochemical plants in the European part of the country and ship to them the raw hydrocarbon materials. Finally, instead of building huge combines based on the deposits, one could set up small specialized enterprises. Whichever choice we make should be a topic of a separate discussion based on serious economic computations.

Now it is a question of something else, of the fact that we have paid dearly for economic adventurism in the past; that as we make a decision which will determine the aspect of the country's national economy at the start of the next millennium, perhaps we should ask the deputies of the USSR Supreme Soviet for their opinion; the ministries have hardly prepared a generous gift for the country; instead, they are once again stretching a hand toward the national pocket, without bothering seriously to substantiate the expediency of forthcoming expenditures.

On 16 February, 4 days before the letter of the six ministers was mailed to the editors, the CPSU Central Committee Politburo discussed problems of financial improvements. The need substantially to reduce state budget expenditures and, above all, centralized capital investments in industry, was clearly stipulated.

Maximally compressing the essence of today's economic and political problems, we may reduce them to the following: the economic reform is impossible without a strict credit and monetary policy and financial health. In turn, this can be achieved only by drastically reducing capital investments. To this effect it would not be regrettable temporarily to sacrifice even the most promising construction projects. No project could justify the

failure of the reform. But can we speak of any financial improvement while, at the same time, involving the state into a questionable 100 billion ruble project which will take the rest of this century? The time to choose has come.

Political Economy and Economic Policy Department

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### Science: Cost Accounting and Governmental Backing

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[Article by Aleksey Leonardovich Golovkov, candidate of economic sciences, scientific associate, USSR Academy of Sciences Institute of Economics and Forecasting of Scientific and Technical Progress, and Ilya Vadimovich Lomakin, scientific associate in the same institute]

[Text] Of late an increasing number of articles on the condition of science at home have appeared in the press. Scientists, politicians and specialists in various economic sectors are concerned by the loss of Soviet leadership in a lot of most important scientific areas and the lowering of national economic returns from scientific research and experimental design (NIOKR), the low efficiency of research and their poor orientation toward practical requirements.

As a rule, one of the reasons cited for this situation is the inadequate resource backing of NIOKR, the drop in prestige of scientific work, the weakening of the corps of science cadres, the erosion of the value concepts of scientists, and others. Essentially, however, these are merely individual manifestations of a serious disease: the growing contradiction between the nature of scientific work and production relations which have developed in the NIOKR area. The study of the condition of domestic science proves that the possibilities of managing this specific area of human activities by directive have been exhausted. Economic independence and economic responsibility of scientific collectives for the results of their research are necessary. However, to this day, when we begin to discuss the principles of the new mechanism, not to mention the possible forms of its implementation, there is no full unity of views. Frequently, even directly opposite viewpoints are expressed. For example, some scientists categorically oppose the conversion of economic institutes to a system of contractual relations with consumers of scientific output; incidentally, many of them demand the use of cost accounting in the entire NIOKR area and a drastic curtailment of budget allocations for science, thus "punishing" it for alienating itself from practical requirements.

Most of the objections to commodity-monetary relations in NIOKR may be reduced to two basic ones. First, it is claimed that such relations are essentially unable to

reflect the full range of the characteristics of science as a specific area of human activities and, consequently, that they distort the logic of scientific development and violate the process of its normal reproduction. This leads to stagnation in research and to the appearance of "unsuitable" views, from the strictly practical viewpoint, of the science of man and society, space research and the study of the microworld.

Second, fears are being expressed that under the new conditions a centralized scientific and technical policy and concentration of scientific efforts on the most important problems will prove to be impossible. Give the scientists a free hand, it is claimed, and instead of developing progressive technologies which are so urgently needed by the national economy, they will begin to develop new generations of computer games or will comprehensively undertake to study the philosophical systems of the Middle Ages, motivated strictly by greed or curiosity.

In our view, these fears refer less to said principles governing the functioning of science than to some kind of hypothetical image of the economic mechanism, as though being especially designed as a target of criticism. Such principles also apply to the specific forms in which they are implemented today, for here, as in most cases, practical experience has gone ahead without waiting for universal agreement.

Let us try to substantiate our view. Let us consider the essential concepts of a cost accounting system interpreted "in broad terms," as we assess it from the viewpoint of science, which is a specific area for the application of intellectual labor. Let us also try to prove the extent to which they are being included in the current reform.

#### The 'Broad' and 'Narrow' Meaning of Cost Accounting

The main point in the development of economic relations in NIOKR is abandoning the practice of supporting a scientific research institution (NIU) for the sole reason that it already exists, and a conversion to self-financing and self-support, which is the equivalent to demanding that it balance income with expenditures (current and capital). This does not mean, although it is frequently done, identifying income with the volume of economic contracts concluded with enterprises. An economic contract is merely one of the possible sources. In addition to it, any NIU could earn funds from the state budget funds by fulfilling state orders; from regional budgets (or other regional funds) if the NIOKR undertakes to solve regional problems; from sectorial science and technology funds, and from other sources.

In order to finance research projects for which, for the time being, or even in the foreseeable future, no practical application can be found but which advance science, the creation of a basic research foundation or several foundations for the individual scientific sectors would be of

decisive significance. Such a foundation (foundations), financed by the state and the scientific organizations, could be organized under the aegis of the USSR Academy of Sciences or any other representative scientific community. Its principal activity would be to subsidize, on a competitive basis, collectives engaged in research of general scientific significance, perhaps even to the detriment of their socioeconomic revenue.

It is possible that the inclusion of the state budget as one of the sources of financing may seem a retreat from cost accounting. For example, V.P. Kabaizze, the general director of the Ivanovo Machine Tool Building Production Association, who calls for converting science to self-financing, identifies it with a ban on "feeding itself out of the central budget." Supporters of such views should take a look at such unquestionably "cost accounting" corporations as the West German MBB Company, which received more than 21 billion marks for NIOKR from the state from 1973 to 1983, or at Siemens (4.2 billion marks). Similar examples can easily be found in American private universities, where more than two-thirds of NIOKR are financed by the state. This is not surprising, for today basic research or else costly programs for the cost of developing progressive technologies can be met above all by the state. The cost or the payor is a separate question, and cannot be discussed in its details in this article. It is not directly related to the nature of cost accounting relations which are based not on the structure of the sources of financing but on the rules and conditions governing the existence of scientific collectives and ways of establishing a consistency between the nature and quality of research, on the one hand, and the manner and scale of their financing, on the other. Reducing cost accounting to straight commercial relations between NIU and national economic enterprises (the "narrow" understanding of cost accounting) inevitably distorts the criteria governing the development of science and the motivations of researchers.

Granting equal opportunities to all research collectives to obtain funds from any whatsoever source must become a mandatory prerequisite. We must not seek "an optimal correlation between centralized and decentralized sources for financing science," as called for by B.V. Tolstykh, chairman of the USSR State Committee for Science and Technology. The amounts of centralized funds must be based on the objectives and the possibilities of the state; those of the decentralized funds must depend on paid demand for new knowledge on the part of other consumers. The various sources must be independent of each other and the overall volume and structure of the income of a research collective should be of interest only to itself and to the fiscal authorities.

In addition to these sources, long-term credits could play an important role. If the NIU were to have funds of their own (in the full meaning of the term) NIOKR would become a more attractive target of crediting. This would make it possible for the scientific collectives to initiate research programs. Scientific cost accounting and the

right of research collectives to manage the results of NIOKR would become the most effective boosters of innovation credit—"risk capital"—which is a radical means of compensating for the scholastic nature of scientific research. This is confirmed by the establishment of innovation funds, the practice of which has already been initiated in the country.

Obviously, it is premature today to consider in detail the ways and procedures for the allocation of funds from such sources. Furthermore, promoting any type of "standard" could lead to the creation of new stereotypes and uniformity, whereas each specific mechanism should be defined by the targets of the financing authority, which could be most different, ranging from the development of a specific technology or type of equipment to the accelerated development of a scientific trend or investigative studies conducted in one area or another. The main feature which should be considered in such mechanisms today is the possibility of their development. This would ensure a flexible link between the changing objectives of the financing authority and the necessary forms of financing.

The frequent updating of forms of financing is typical of many countries. Thus, over the past 25 years the U.S. mechanism for federal fund allocations has been changed four times. The target approach began to be applied with the introduction of the "planning-programming-budgeting" system, which is still used today exclusively by the Department of Defense. Civilian departments subsequently converted to more flexible methods: "Target-oriented management" (starting with the second half of the 1970s), the so-called zero budget control system, which makes it possible to consider options of increasing or reducing appropriations for individual budget programs, and classifying them on the basis of state priorities. This system was somewhat simplified by the Reagan Administration.

The second fundamental principle of the new mechanism governing the functioning of science is that of contractual relations between performing NIOKR and other national economic projects. Their essential distinction from the currently prevalent "power" relations is, above all, that the subject of economic management (NIU, enterprise or state management authority) is autonomous, and agreements are concluded between the interested parties on a voluntary basis.

The new type of relations will require a corresponding legal regulation. In our view, this requirement can be met by the research contract, as an institution which can best satisfy the need for flexibility and, at the same time, the stability of ties between science and practice. A research contract could be defined as the civil-legal form of voluntary agreement between the consumer of scientific output and the research collective, in which the rights and obligations of the parties in the implementation of the research project are stipulated, ranging from the conditions and scale of financing and purchasing of

equipment and work premises, to the right of ownership of the results, as well as liability for violating the stipulations of the agreement. In worldwide practices such a contract is a detailed document which may include as many as 120-130 different items, the structure and nature of which may vary, which gives it the necessary flexibility. Currently, throughout the world more than 50 basic types of contracts, depending on their purpose, are used in regulating research work.

The great variety of types of contracts, including those concluded with state authorities (ranging from obligations concerning the effective utilization of resources to achieving stipulated results), takes adequately into consideration the specific nature of the various scientific and technical operations, and their high degree of heterogeneity, ranging from discovering laws of nature and society to developing new models of equipment (output), ensuring the organic tie between basic and applied research and development.

The development of research contracts increasingly reflects the specific features of science. For example, the undetermined nature of the process of knowledge has led to the appearance of the so-called "skeleton" contracts, in which any stipulation in the contract could be changed at any time by mutual agreement. Today this stipulation is inherent, to one extent or another, in all contracts and in all areas of activities. However, it is precisely in the area of research that this form has become a permanent feature in a number of countries, for it serves the interests of both customer and performer. Flexible contracts make it possible to take into consideration the conversion of the work from the stage of research to experimental design, unplanned results and changes in the requirements of the customer.

The most important feature of contemporary science is the fact that its development greatly depends on internal criteria triggered by the overall logic of a scientific investigation. The organization of science, in accordance with such criteria, is a most difficult problem in contemporary science management. In particular, how to ensure the organic combination of a target-discipline specialization of research collectives (it is precisely within this structure that a scientific community is reproduced most adequately) and interdisciplinary research aimed at solving specific practical problems? In this case contractual relations offer a number of obvious advantages compared to administrative-command relations. A contract provides the institute with prerequisites for the development of subcontracting and for coordinating the activities of various NIU in carrying out comprehensive studies by organizing temporary on-site associations or even large consortiums, which could undertake to perform the entire cycle of operations, ranging from basic research to the development of technologies or the production of stipulated items.

The question of the structure of the juridical persons who have the right to sign a research contract as performers is of major importance. Its solution is directly related

to the third and most important element in the new economic mechanism—the extensive application of the principle of self-organization. A specific feature of science is the essential dependence of the results of scientific investigation on the personality of the researcher (the scientific leader above all), his talent, professional qualities, motivations, etc. Frequently the efforts of one or several researchers could yield much more tangible results than the activities of a large collective.

In this connection, the consideration of a scientific worker or a primary research group, a laboratory for instance, as an independent legal subject, makes it possible flexibly and efficiently to involve leading scientists and scientific collectives in various studies, to provide them with suitable facilities for working on joint projects and possibilities for simultaneous participation in several programs.

In addition to traditional organizational structures of research collectives based on the decisions of the state authorities, initiative "from below" should play a significant role. In the majority of cases it is only directly in the course of preparations or even execution of scientific research projects that the most efficient forms of their organization can be found. The customer and the performer (a big institute or an individual scientist) would be able to establish the necessary organizational forms faster compared to an administrative authority engaged in the rationalization of scientific activities.

In order to enhance this process, it is important to grant the right to create new NIU to any enterprises, local authorities and other organizers which have the status of juridical persons. This right should be granted also to scientific task forces.

Within the framework of the new mechanism the currently pressing problem of the ossification of many organizational structures in science could be successfully solved; the flexibility of the structure could be substantially enhanced through the extensive practice of self-organization (combined with self-financing). Prerequisites appear for the fast development of organizational forms and of competitiveness, which leads to the establishment of a network of NIU, consistent with the tasks facing domestic science. Furthermore, this would contribute to the faster organization of borderline and interdisciplinary research, which today is a determining prerequisite for scientific and technical progress. This will reliably protect us from the monopoly of views and scientific schools and contribute to the fastest possible elimination of scientific "ballast."

This last problem clearly deserves a more detailed consideration. Under the new conditions, any NIU which, over a long period of time, fails to find adequate financing sources, whether from the state budget, departments, enterprises or the scientific community, should be quite

naturally classified as "ballast" and subject to closing down. This could take place by decision of the financial authorities, on a procedural basis.

It is precisely this possibility that frequently frightens scientists. The logic of objections is usually the following: a number of trends of research are being named, leading most successfully to scientific, economic and social progress and it is feared that it is precisely such areas that will find no sponsors. This is a rather questionable claim, for the number of financing sources should become significantly broader and their overall volume would increase as society feels the need for new knowledge. Naturally, individual topics could be "abandoned" if no one, including developers, is interested in them (it is true that the "self-financing" option is acceptable only to rich enthusiasts). However, this could happen also with the allocation of funds granted to fulfill mandatory assignments.

The development of one trend of scientific research to the detriment of another and selection are a standard feature in the development of research, considering the limited resources which society is able to allocate for science. In this case we may discuss only the various means of determining the evaluation of NIOKR results, without which it would be difficult to conceive of any efficient development on the scientific front.

A distinguishing feature of scientific activities is the difficulty of such an evaluation and its dependence on the criteria set by the "evaluator." The number of "evaluators" must be increased and any monopoly on setting criteria must be abandoned. This can be achieved by expanding the number and types of sources of financing NIOKR. Thus, basic research will be assessed by the scientific community (for example, through the Basic Research Foundation), which could be accepted as the best qualified expert in this area. It would be just as natural to entrust the evaluation of the results of applied research and development to their direct users—the production area or experts appointed by the state authorities in the financing of scientific and technical programs by the state budget. Obviously, objections to commodity-monetary relations are based either on a superficial understanding of the "broad" interpretation of cost accounting (or, unfortunately, understandable fears of departmental distortions) or else the unwillingness on the part of the scientists once again and, which is even more important, to prove through other methods the social usefulness of their activities.

#### Perestroika in Science and the Departments

The question remains of whether commodity-monetary relations in science would allow the successful implementation of state scientific and technical policy, for at the present time it is precisely the centralized management of scientific and technical progress that should ensure the implementation of large-scale socioeconomic targets. The viewpoint has been expressed that as a result



of the possible substantial narrowing of the area of mandatory controls it would become impossible to concentrate the scientific potential on the priority areas in the development of technology. In turn, this endangers the development of an essentially new technological model for the economy and the radical updating of the material and technical base of the national economy.

In our view, this is an unconvincing idea, for the state management authorities in charge of the formulation and implementation of scientific policy (Gosplan, GKNT and others) retain control over two basic instruments: budget financing through comprehensive scientific and technical target programs, and centralized and decentralized (regional and sectorial) state NIOKR funds, on the one hand, and the indirect control of scientific activities through the policy of taxes, credits and amortizations, on the other.

In the future the main applied emphasis of state scientific and technical policy will be based on long-term programs which will require large-scale outlays and will be channeled into the creation of technological centers for a new structure-determining economic nucleus. In this case contractual relations offer a number of substantial advantages. Instead of rigid linear-hierarchical organizational units, based on direct administrative subordination (with limited horizontal ties of an economic contract type) it will become possible to establish flexible structures which will contribute to the much more flexible the efficient integration among various research collectives. This will create legal and economic prerequisites for the implementation of comprehensive intersectorial scientific and technical programs. At the same time, the elimination of departmental support of NIU and the need for independent seeking of sources of financing will make their participation in state programs economically necessary.

The nontraditional measures for controlling scientific activities today may include state support of a network of innovation banks, which will provide easier credits or will partially subsidize scientific research in priority areas, as well as various forms of social guarantees (insurance) to investors which will protect them from any potential losses and reduce their risk in the use of new development. Such steps, under the new circumstances, will be efficient, for cost accounting makes NIU exceptionally receptive to the various conditions for crediting, taxation and possibility of access to subsidies or benefits. This includes state support for application, consultation and intermediary organizations servicing innovational activities of enterprises and operating on a cost accounting basis. The end objective is the shaping of an integral infrastructure which will provide enterprises with access to scientific and technical achievements.

The reader familiar with arguments in favor of the acceptability of commodity-monetary relations in science, has the right to ask the extent to which the already initiated changes in NIOKR are consistent with the principles of cost accounting in the broad meaning of the term.

In the past 2 years resolutions were passed aimed at radically changing the mechanism of NIOKR functioning. Scientific output has been recognized as a commodity and an attribution of commodity-monetary relations is taking place within NIOKR; foundations are being laid for contractual relations between scientific research institutions and research customers, as well as contractual principles governing price setting. The array of measures covers virtually all aspects of scientific and technical activities, from the creation of new organizational forms and means of financing them to changes in the principles governing wages.

This may appear as an unquestionable step forward. However, the new mechanism has retained a number of loopholes for using the previous power methods of scientific management. This includes mandatory state orders, the departmental principle of setting economic standards and retaining by the departments the right to reorganize institutions under their jurisdiction. The range of potential financing sources has been broadened but in the case of most NIU access to them has been obstructed by departmental barriers. The principles of independence and self-organization are extended only to scientific research cooperatives which, in turn, have been "cut off" from the system of material and technical support.

The result has been a kind of "hybrid" form of cost accounting in science in the course of which a number of "social guarantees" for research collectives disappear while the conditions which fetter their initiative remain, for which reason scientists oppose such restructuring. The basic principle of the administrative-command system—departmental organization and subordination of science—has been largely retained. This phenomenon is typical not only of NIOKR but of the entire national economy with the exception, perhaps, of the agroindustrial complex, where essentially new—nondepartmental—organizational structures are appearing. In this situation, debates on the merits of the decisions which were made remind us of disputes on the advantages of cash quit-rent versus rent-in-kind, although it is clear that "serfdom" in science must be totally eliminated.

What is the explanation for this attachment shown by the state management authorities to directive-based methods, and what makes them so efficient in opposing change?

The answer to the second question is clear. Slow progress is explained by the fact that the introduction of new approaches to scientific organization and management, which substantially change the role and functions of the departments and which limit their power, has been actually entrusted to the departments themselves.

In answering the first question, let us recall that the key aspect of improving the mechanism of functioning of science is the independence and equality of relations among research customers and performers. Without this,

neither mutual responsibility of the sides based on the accepted obligations nor the elimination of monopoly in NIOKR or of departmental lack of coordination and protection are possible.

It is precisely this aspect that triggers the greatest opposition of the departments. In commenting on the initial results of the conversion of scientific organizations to cost accounting, B.V. Tolstykh, chairman of the USSR GKNT, pointed out that 65 percent of the contracts concluded between scientific research institutes and design bureaus and their ministries do not stipulate the obligation of departments to observe them. They are unwilling to lose their administrative power over "their own" NIU, for this provides them with a relatively inexpensive NIOKR and the right to impose a plan for current work and shift to the NIU some (sometimes significant) functions of the apparat and the possibility of obtaining results consistent with circumstantial interests and, in some cases, of resorting to straight falsification of results.

Yet another reason for the opposition of the representatives of state authorities is their unwillingness to abandon established management stereotypes, to take an essentially new look at the nature and means of centralized control, and to master the methods of indirect influencing scientific activities which appears to them difficult and "intangible."

Even the institution considered as the most democratic—the USSR Academy of Sciences—which potentially has the ability to direct virtually all basic research in the country, is still applying the departmental approach to the solution of many problems. This raises the question of its right to represent the broad scientific public. Let us consider the new procedure for financing. The income of academic institutes will come from several independent sources. In order to engage in investigative research, all institutes will be granted substantial funds which will be distributed by the scientific councils of the institutes on the basis of the competitive choice of projects, without having to report to the presidium of the USSR Academy of Sciences or to the respective departments. Some of the funds will subsequently be appropriated for specific programs for basic research (the long awaited conversion to topic financing). Finally, all institutes will have the right to increase their income from outside sources. If we ignore the possibility of demanding accountability (when the requested annual budget of the NIU is broken down into topics rather than being the result of their combination) or the underdeveloped nature of expertise procedures, we must acknowledge that we have taken an unquestionable step forward. However, the new procedure applies only to academic institutes. This preserves the academic monopoly on basic science and limits the possibility of integrating scientific collectives belonging to different sectors; the separation between "one's own" and "outside" collectives, based on departmental affiliation, remains. It would be pertinent to recall Pascal's words. He denied

the existence of two sciences—basic and applied—and insisted that there is only one science and only one way of applying its results. This makes even less necessary the separation among the three scientific sectors—academic, sectorial and VUZ.

### The Difficulties of the Forthcoming Period

In conclusion, let us consider the state support of science in the immediate future. We are referring not to the centralized financing of NIOKR for the solution of topical problems but, to a certain extent, the philanthropic aid given to science. As convinced supporters of cost accounting relations, we nonetheless believe that at the initial stage in the reform such support is necessary and should be the most important element in governmental scientific and technical policy.

The radical economic reform on the scale of the national economy will inevitably involve certain losses triggered by the uneven nature of changes made in the various areas, the breakdown of remaining stereotypes and behavioral standards, and the inept use of the new ways and means of management, as the old ones are being eliminated. As of now we can see some national economic trends which would have an extremely adverse effect on the development of science.

Their compensation, as well as easing the difficulties of the conversion to the new relations in science will require additional outlays of state funds. If our country is interested in scientific progress, it should appropriate funds comparable in scale to similar outlays made by the most developed countries in the world. If under the conditions of a budgetary deficit and grave social problems a broad research front is an impermissible luxury, reducing or even retaining the scale of state support on the present level, it is necessary to realize that this would inevitably lead to the general stagnation in science and, in some of its sectors, to irreversible consequences.

The most serious among the negative trends which have become apparent as of now is the fact that industrial enterprises will reduce their funding of science. The study of 200 scientific research institutions converted to cost accounting has indicated that, for a variety of reasons, about 18 percent of elapsed contracts were not renewed. The main reason was the extreme imbalance in the market for investment and consumer goods and the high degree of production monopoly. The conditions of "easy" marketing do not encourage the enterprises to improve their output beyond the range which allows them "objectively" to substantiate price increases. Furthermore, the lengthy period of prevalence of short-term interests and the concentration of reproduction relations in the hands of the center did not contribute to developing on the enterprise level standards of "investing in the future," and durable reasons for refusing consumption today for the sake of radically updating technology or

improving industrial ecology in the future. As a result, a stable demand will be preserved only for NIOKR which will ensure the resource conservation within the limits of applied technologies.

It is only as the market becomes saturated and, respectively, marketing conditions become more difficult, that the dependency of enterprises on consumers will increase which, in the final account, will make them finance NIOKR.

A reduction in the next few years of solvent demand by enterprises "for science" may lead to closing down some research collectives. As a result, a situation is not excluded in which the appearance of a major need for science would necessitate its re-creation, which is a lengthy and expensive process.

The main threat pertains to investigations and basic research, "inefficient" from the viewpoint of the individual enterprise but extremely necessary to society as a whole. Today this has been realized throughout the world. In the United States, for example, every year the federal government allocates the huge sum of \$9 billion on basic research, which is three-fifths of the total expenditures in that area. In France the contribution of the state is even higher, amounting to nearly 93 percent. In the USSR, the volume of outlays for basic research, from all sources, and according to varying assessments, ranges from 1.5 to 2.5 billion rubles and there are no reasons to hope that in the future anyone other than the state will actively support such research. Therefore, basic research as well as programs in the humanities must become targets of direct governmental financial support.

Let us emphasize that the demand for increasing outlays in these areas of scientific activities should not be considered as a demand to increase the scale of financing the Academy of Sciences. Furthermore, as we pointed out, the allocation of funds for basic research presumes the creation of essentially new organizational forms which would make it possible for the entire scientific community to participate in the formulation of scientific policy. Otherwise no results can be expected.

Indirect assistance is needed for applied research. Thus, temporarily it may become mandatory for each enterprise to withhold a certain amount from its profits for the financing of NIOKR. The enterprise will itself determine the area in which such funds will be used and who will use them. This will make it possible not only to support science oriented toward specific production objectives but also to encourage proper selection. In our assessments, the lower limit of such withholdings should be established on the level of 3-5 percent of profits left at the disposal of the enterprise after withholdings for the centralized funds. The rates of withholdings from profits paid to the centralized funds could be reduced by the same amount if such funds are used to finance NIOKR

and also if a mandatory share of funds allocated through subcontracting is included in each scientific and technical program sponsored by the government.

Another dangerous trend is the possible worsening of conditions for the reproduction of the scientific potential, in connection with the conversion of sectors which shape the material and technical base of science to the new economic management conditions. In this case the specific nature of the "means of production" used in science plays an important role. This applies to small series or one-of-a-kind instruments, and systems which require specialized assembly and highly skilled cadres, extrapure reagents and preparations. Contemporary science formulates stricter requirements concerning the reliability of research technology, its ability to solve problems, etc.

Today most such output is underprofitable and, sometimes, even losing. The presumed reduction in the scale of planning by directive could lead to a sharp reduction in the production of such goods, which would further reduce the already low level of material support of science. The lack of modern highly efficient equipment is a common ill afflicting all economic sectors. In science, however, this situation is the most critical. In our country asset availability for scientific work is nearly half that of industry whereas in the developed capitalist countries such indicators are roughly equal.

Improving the material and technical support of science exclusively by "pumping" financial funds into NIOKR and the conversion to wholesale trade in instruments, materials and equipment is hardly possible today. The monopolizing of instrument manufacturing with the introduction of the contractual price setting mechanism would lead to major price increases, which will hold back the updating of material and technical facilities in the NIOKR area. This may lead to a significant increase in the cost of science which, under the conditions of reduced solvent demand for new knowledge will aggravate the problem of the development of the scientific potential even further.

In our view, several ways may be used in solving this problem. First, we must finally implement to its fullest extent the state program for the development of scientific instrument manufacturing, which calls for the creation of mixed enterprises for the production of instruments, based on discoveries and inventions made by Soviet scientists. With a view to ensuring the fastest possible saturation of the domestic market no total self-supporting foreign trade is required. We could even stipulate the creation in the big NIU or their associations facilities for instrument manufacturing, which would include transferring under their jurisdiction small machine building enterprises. This step is not always effective but, in the present situation, it is unquestionably necessary.

Second, it is obvious that we must significantly increase imports of scientific instruments, equipment and compounds in the immediate future, as long as domestic

instrument manufacturing and the chemical industry are unable to meet the needs of science. In this case any reference to the lack of foreign exchange is hardly substantiated, for purchases of scientific instruments account for less than one-two hundredth of the overall volume of imports. It must be made clear that today the high level of technical facilities for research is a major prerequisite for reaching the cutting edge in science. Whereas in industry obsolete equipment can nonetheless be used in production (although such production will be equally obsolete), falling behind by one or two generations in research technology prevents us, in principle, from gaining new knowledge. The lack of modern instruments and equipment depreciates the "pumping" of any other resources into NIOKR.

Third, the development of the material and technical base for NIOKR requires improving the ways and means of its utilization. In this case the fundamental principle must be the creation of priority conditions for the organization of highly efficient scientific collectives. Significant possibilities to this effect are contained in the collective (including leasing) forms of use of systems, equipment and instruments. Their dissemination would enable us to increase the efficiency of instruments by a factor of 3-4 and to enhance the availability of measuring equipment for NIOKR by 40-50 percent.

To sum it up, we can confidently say that the systematic implementation of the principles of self-organization of economic autonomy and administrative independence in NIOKR, with sensible state support during the transitional period, would make it possible to surmount the critical trends in the development of Soviet science. However, despite all advantages of "broad" cost accounting, we do not claim that its implementation would immediately turn the system of scientific organization into an "ideal" one. Furthermore, we are convinced that new problems and contradictions will arise. However, such a mechanism appears substantially better than the present one and the new problems will be qualitatively different and related to tasks the formulation of which today would unfortunately make no sense.

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#### **Educators on Their Congress**

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[Article by Aleksandr Anatolyevich Iudin, head of the laboratory of sociological research, Gorkiy State University, candidate of historical sciences; Anatoliy Aleksandrovich Ovsyannikov, chief sociologist, USSR Gosobrazovaniya, candidate of economic sciences; and David Genrikhovich Rotman, senior scientific associate, laboratory of sociological research, Belorussian State University, candidate of philosophical sciences]

[Text] The attention of the public remains drawn to the All-Union Congress of Public Education Workers, which

was held at the end of last year, and its results. The main feature in the work of the congress, according to commentators, is most frequently reduced to the struggle between the conservative wing (program expressed in the speech by A. Baronenko, school principal in Chelyabinsk Oblast) and the progressive wing (it is considered that its ideas were expressed by Sh. Amonashvili). Was this accurate? It was, if we proceeded on the basis of the old stereotypes. However, if we were to be guided by the new thinking, the answer would be different.

Let us recall that the delegates represented the personnel on all levels of the public education system and that new and unusual draft documents were submitted for discussion. In themselves, the variety of interests and problems presumed a complex multi-colored picture of happenings, which had nothing in common from the black and white evaluations such as "passed" or "defeated." This was confirmed by the results of the survey of the educational public and the delegates prior to, during and after the congress. Such studies were made within the framework of the "Public Opinion" comprehensive target program of the USSR State Committee for Public Education, which had been approved in 1987. Its purpose was to provide sociological support to the management of the educational complex. The implementation of the program involves the participation of sociologists, economists, philosophers and mathematicians from 60 VUZs throughout the country, with a network of centers, which makes it possible quickly and efficiently to conduct Union-wide surveys of secondary and higher school public.

The quality of resolutions passed at the congress was largely based on the observance of democratic principles in the election of delegates. The overwhelming majority noted that these principles were strictly observed (79 percent). However, the share of those who believed that the elections had been held formally in a strictly regulated and undemocratic fashion was relatively high (19 percent). Particularly displeased were the delegates representing the higher schools: those in the oblast centers amounted to some 25 percent and those working in rayon centers, 20 percent. In a number of areas the elections were conducted hastily. However, a negative reaction to this was above all found among higher school personnel who resided in large cities, where perestroika processes have been more active.

One way or another, the data indicate that there were faults in the election of delegates, which could not fail to affect the qualitative structure of the congress. Obviously, this influenced also the evaluation of the draft documents in the surveys conducted among the educational public and the delegates prior to the congress. Following are data of the all-Union survey of teachers on the draft Concept of General Secondary Education, conducted in October 1988, and of teachers-delegates (table 1).

**Table 1**  
**Assessment by Teachers of the Draft Concept of General Secondary Education (percent)**

Concept Evaluation	October 1988, Teachers	December 1988 (Delegates)	
		Teachers	Administrators
Confident of Success in the Immediate Future	7	16	14
Sensible But Requires a Great Deal of Time	40	50	44
Inconsistent, With Few Results	11	13	16
Indicates Lack of Clear Policy of Change	39	9	15
Refused to Answer	3	2	1

The delegates included more than twice the number of teachers displaying excessive optimism (16 percent as against 7 in October), who believed that all school affairs will improve in the immediate future; the number of pessimists was one-quarter of the total (9 percent as against 39), who had no faith in the efficiency of the document. However, it would be mistaken to believe that the congress consisted only of positively feeling optimists, ready to approve any submitted projects. The structure of the delegates was much more complex.

Indeed, some of them were not ready to engage in a practical and constructive study of the concepts and views submitted for discussion and were unable to give them a specific evaluation. Thus, 38 percent of them had come to the congress without any viewpoint established in advance, in the hope of formulating their views in the course of the meeting. Ten percent believed that they would adopt any resolution if the majority would be in favor of it, while 39 percent said that their activeness at the congress would be determined by the consistency between the problems which were discussed and their own views.

In answering direct questions, the overwhelming majority displayed high optimism and readiness to engage in serious work: 62 percent believed that they were going to the congress with original ideas and constructive suggestions; 51 percent were ready to defend their viewpoint; 29 percent expected of the congress to pass radical resolutions, and 47 percent expected that the congress would formulate a considered concept of perestroika.

A discussion had to and indeed did develop about the basic conceptual documents related to perestroika in public education. Let us immediately stipulate that in the course of the proceedings of the congress the attitude toward them changed substantially (table 2).

**Table 2**  
**Changed Evaluations About Documents Relative to Perestroika in the Public Education System (percent)**

Documents	Precongress Assessment			Assessment on the Third Day of the Congress		
	Positive	Negative	Undefined	Positive	Negative	Undefined
General Secondary Education Concept	75	20	5	38	16	46
Regulation on Secondary Schools	65	28	7	42	14	44
Regulations on PTU and Technical Colleges	39	28	33	18	6	76
Regulation on the VUZ	43	18	39	33	2	65
Regulation on USSR State Education	44	26	30	15	1	84
Regulation on Public Education Councils	42	45	13	27	3	70
All Documents	51	28	21	29	7	64

On the eve of the congress, as a whole the delegates expressed quite definite views and gave a positive rating to the draft documents. During that period the largest number of positive evaluations was given to the Concept of General Secondary Education (75 percent) and the Regulation on the Secondary General Education School (65); the lowest approval was of the regulations on the PTU and the technical colleges (approved by 39 percent). A noticeable polarizing of views could be noted on the subject of all documents. The most restrained assessments of all documents and, above all, of the Regulation on Public Education Councils, came from the personnel of oblast, city and rayon public education departments: most of them did not change their assessments throughout the congress. Debatable projects gained in popularity toward the end of the proceedings. For example, the Regulation on the Public Education Councils lost 15 percent of supporters and 42 percent of

opponents, whereas the Concept of General Secondary Education lost 37 percent of supporters and only 4 percent of opponents.

Changes in the evaluation of the documents also indicated the insufficient preparedness of public education workers to solve the formulated problems. Whereas prior to the congress no more than 20 percent of the delegates were unable to assess the published drafts, by the end of the proceedings their number rose to almost two-thirds. This situation was explained: the study of the views of delegates on the factors hindering reform in education confirmed that the main feature today was ignorance of to how to apply a new work method. The educators needed clear strategic concepts which could be translated into the language of action and an understanding of how to put to practical use the adopted resolutions.

How did the delegates rate changes in the educational system? No more than 7 percent believed that perestroika provided no change and a few isolated individuals believed that matters had worsened. We have information on the dynamics of the assessments of higher school personnel. In particular, the number of those in

whose view perestroika in the higher educational institutions had brought about changes had increased somewhat: 25 percent of the delegates rated them as significant, while 65 percent noted the existence of results, albeit insignificant (table 3).

**Table 3**  
**Changes in the Educational System as Rated by the Delegates (percent)**

Assessment of Results	All Delegates	VUZ Teachers			VUZ Administrators		
		April 1987	December 1987	December 1988 (Delegates)	April 1987	December 1987	December 1988 (Delegates)
Noticeable and Positive	20	23	22	25	35	38	28
Insignificant	70	23	63	65	30	56	64
There Is No Perestroika	7	32	11	6	13	6	4
Perestroika Worsened Matters	1	20	3	1	0	0	1
Refused to Answer	2	2	1	3	22	-	3

The congress was the offspring of our complex time, a time of mastering the wealth of democratic standards. We have already learned openly to express our thoughts. However, we also need the ability to hear and understand those who think otherwise and who have different views on the matter. We must learn how to determine what is possible under the conditions of compromise and truly efficient pluralism. Were the delegates able to agree? Naturally, not in everything. The survey conducted after the congress indicated that 51 percent of the delegates (simple majority) were satisfied with its results; 34 percent were dissatisfied and 15 percent declined to answer. The resolutions adopted by the congress marked the beginning of extensive work in the building of the new school and it is quite important not to consider this process as synonymous with the destruction of the old.

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**KOMMUNIST Roundtable: Economics and Politics in the Lessons of the 'Great Change'**  
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[Text] The debate on the reasons for the deformation of socialism in the USSR is increasingly shifting to the level of a study of the origins of the contemporary problems in economics, politics and social relations. To a great extent these roots may be traced back to the 1920s and 1930s, to the period of the "great change," when decisions which led to sharp changes in the entire subsequent development of the country and the fate of socialism as a whole were made.

The logic of events of that time cannot be understood without investigating the dialectics of the interconnection between objective and subjective factors, theory and practice and economics and politics. It was precisely on the basis of such views that economists and historians, who

participated in the roundtable, tried to consider the problems: VASKHNIL Academician V. Tikhonov, doctors of economic sciences O. Latsis, M. Lemeshev and G. Shmelev, doctors of historical sciences V. Danilov, V. Lelchuk and D. Shelestov, Candidate of Economic Sciences Yu. Goland, candidates of historical sciences M. Gorinov and V. Kozlov, and historian S. Shchablygin.

The publication of the roundtable materials was prepared by KOMMUNIST associates N. Golovnin and S. Khizhnyakov.

#### Turning to Theory

O. Latsis: A long time ago we abandoned the concept that a "fatal" and "unexplainable" breakdown in building socialism occurred in 1937. Today it is clear that everything started much earlier, although the roots of many phenomena have still not been entirely traced. From the political viewpoint, this turn was unquestionably subordinated to the establishment of Stalin's unchallenged power, which created the conditions for all subsequent distortions. However, this was directly related to the socioeconomic processes of industrialization and collectivization. It was precisely then that Lenin's ideas on the development of full cost accounting in state industry and the democratic principles governing the socialist reorganization of the countryside were abandoned.

I would like, above all, to assess the role of theory in the turn which took place in 1929. The study of the situation which developed at the beginning of the year in the field of theory is important not only in and of itself but also in connection with views expressed on the "responsibility" of Marxist-Leninist doctrine.

This evaluation is useful also in understanding today's problems. For it was precisely then that not only the methods and pace of accelerated conversion to collective economic management in the countryside were set but

also the very type of organization of kolkhozes and sovkhoses, which left its mark on their entire subsequent fate and led to the idea that this was the only possible way in which they could have developed. Are those same concepts not the base of the views expressed on the groundlessness of the kolkhoz system as such and the expediency of returning to private farming?

**V. Kozlov:** The question of the "responsibility" of Marxism is legitimate, in my view, only to the extent to which Marxist methods of theoretical study of reality were systematically applied in the course of making the strategic decisions in the mid-1920s and, above all, in the course of discussing the problems of building socialism in a single country. At that time it was necessary to answer the following question: What specific type of socialism was possible under the circumstances? No convincing answer was found. This raised a series of other grave problems such as, for example, the correlation between the NEP and socialism.

Thus, state enterprises and cooperatives were theoretically considered as being consistently socialist. Therefore, in state industry the search did not go beyond trying to find more flexible and varied forms of economic management. Processes of intensification of cost accounting and the enhancement of group interests were obstructed. After the formulation of theoretical concepts, this meant a step backward. The same applied to cooperatives: for a while kulak elements had open access to cooperatives. However, their right to assume leading positions, which were consistently socialist, in such cooperatives was limited. This made impossible the use of substantial financial and material assets.

In general, it was difficult to determine how, by developing the market and cost accounting, one could build the "noncommodity" socialism, the prototype of which was persistently encouraged. Therefore, theory was separated from the reality of social life. Unquestionably, this influenced political and economic decisions. Having failed to coordinate the objective and the ways of reaching it, we found ourselves in a theoretical impasse and the area open to practical decisions was extremely narrowed by theoretical blinkers; the area for political maneuvering was limited and, in the final account, "emergency situations" and coercion became the "simplest" way of solving theoretical and practical difficulties.

**M. Lemeshev:** I am not inclined to accuse Marxism of what took place at the time of the "great change." However, Marxist theory created a certain methodological foundation for such a turn of events. Marx considered the proletariat as the only consistent revolutionary class. All other social classes and strata (including the peasantry) were somehow ignored and considered either as hostile or passive. Lenin as well considered the peasantry a petit bourgeois element which gave birth to capitalism on a mass scale.

**V. Tikhonov:** Indeed, in 1921, in promoting a system of state capitalism, Lenin considered it, above all, a force which could restrain the petit bourgeois element. In his work "On Tax in Kind," Lenin considered the cooperative as well a form of state capitalism. Subsequently, his views changed. This change, clearly, occurred some time toward the very end of 1922, when Lenin was already beginning to feel isolated. In January 1923, in his work "On the Cooperative," he openly said that we must acknowledge the need for changing our entire viewpoint on socialism. In other words, we were not building "that" type of socialism and the practical experience of 1921 and 1922 did not confirm the ideas on the cooperative as being a form of state capitalism, and Lenin abandoned it. Henceforth he considered socialism as a cooperative system, a system of "civilized cooperative members," applicable not only to the peasantry but to the entire national economy.

I thought of the reason for which Lenin had used in this case the term "civilized." Naturally, it could be conceived in its ordinary meaning, as "cultured," "educated," and so on. However, it has yet another meaning. "Civilized" means civil. If Lenin gave that interpretation to the term, I therefore believe that he switched his viewpoint on socialism and reached the conclusion of the need to build a democratic socialism in which the state would have the same rights as the citizens who had created it.

**O. Latsis:** In this case Lenin approached the question of the character of the working person himself. A person who is subordinate, a person who works within a state which provides democracy for the working people but not through the working people is one thing; it means that same old monopoly and the state as representing the political monopoly. A cooperative, an electoral system, a civilized one, is something else. In other words, the former is aimed at the ignorant worker and peasant who are as yet unable to rule themselves (at this point there is an emphasis on culture, civilization); the second implies the cooperative member as an independent person who is able to govern himself. Therefore, a society of civilized cooperative members means a self-governing, an independent society, based on democracy.

**V. Lelchuk:** Marx's theory was aimed at the highly developed industrial countries. As a class, the peasantry no longer existed in England or the United States by the turn of the 20th century. Why blame Marx? Did he write a textbook for you and me? We do not take into consideration the theoretical nature of the views of the founders of scientific communism, who linked the society of the future above all to the industrial proletariat. The same path was followed by Lenin, for which reason he gave priority to the idea of a global revolution. Having realized that the idea of a global revolution was taking second priority to a certain extent, compared to the need to survive, to stay within the framework of Soviet Russia, different conclusions followed.



**V. Kozlov:** I shall not discuss the concept of the world revolution as a whole. I shall consider one of its aspects only. It was a question of our ability to preserve the principles of the NEP, to preserve ourselves as a state with a socialist future, to become part of the global economic concept and thus to ensure the building of socialism, or else to take the path of autarchy which would inevitably lead to crisis and stagnation. In my view, the question of socialism in a single country was not given a convincing theoretical solution in principle, by the mid-1920s, for socialism in its classical definition is a concept of a society involving the withering away of the state. However, if it is surrounded by enemies, and if there is a capitalist encirclement, the question of the withering away of the state is postponed indefinitely. Actually, the party fell into a theoretical trap which, in the final account, was what enabled Stalin to proclaim the aggravation of the class struggle and to substantiate the strengthening of the repressive-punitive function of the state.

**S. Shcheblygin:** To this day, in my view, we are following in Stalin's footsteps, in that we are unwilling to approach Lenin as a dialectician in whose views, at each stage, there were contradictions. Let us consider Lenin before the October Revolution. What do we find in his works? On the one hand, banks, syndicates needed by socialism; on the other, the concept of a noncommodity socialism. Is this a contradiction? Unquestionably it is. The same applies to the peasantry. Lenin was in favor of a non-commodity socialism and, naturally, the peasant did not fit in it, being a producer of commodities.

And what can we say about the article "On the Cooperative?" For the time being, we have not as yet recognized that this means, essentially, a change in the paradigms of socialism. What does this mean? Lenin formulated the concept that socialism was compatible with commodity-monetary relations. There was a change of views in literally all areas: Cost accounting: prior to this point it was state capitalist; now cost accounting enterprises were considered as being consistently socialist; in 1921 the cooperative meant state capitalism; in 1923 it was a source of socialism (marking a return to the idea of 1918); in the past the peasantry was classified into worker and owner; now we include it in socialism with its commodity interest.

**Yu. Goland:** When we speak of theoretical investigations and alternatives of that time we must not, I believe, forget that in addition to party theoreticians there also were nonparty highly skilled specialists. They too considered all the problems of that period (people such as Yurovskiy and Kondratyev). They also provided specific recommendations which, however, were not implemented. In this connection, let me draw your attention to the article by Yurovskiy, which was published in VESTNIK FINANSOV, No 12, 1926: "On the Problem of the Plan and Balance in the Soviet Economic System." He described the need to accept the new form of economic management: commodity-socialist, which bore

the features of a strong state power but which also included laws which were common to all commodity forms. This led to an entire series of theoretical conclusions. Why was it that at that time logic did not prevail? The conviction which ruled the party was that commodity production was incompatible with socialism.

We believe that after Lenin the party's leadership was unable to formulate the theoretical concept of industrialization based on the development of the NEP. For that reason practical experience was deprived of its theoretical foundations and the arising economic difficulties led it away from the continuation of the NEP. Meanwhile, had the discussion of problems been more democratic, unquestionably new people would have appeared and new ideas would have been accepted differently. Unfortunately, Lenin was unable to take to the end his own concepts of changing the standards of party life, which he described in his "Letter to the Congress." Without him, however, the others were unable to accomplish this.

**V. Danilov:** I have two remarks to make related to the discussion of the theoretical problems of the "great change." First, Stalin's "revolution from above" (which, in my view, is a more accurate definition of the "great change") was not an embodiment of socialist theory in any one of its variants. Therefore, no whatsoever fruitful efforts can be made to explain the "great change" with the fact that starting with the mid-1920s no "convincing answer" had been obtained to the question of building socialism in a single country. We do not have to determine, for each specific case, what came first: the "word" or the "act." It is entirely clear, however, that any word about socialism in 1924-1925 was an echo of the "act" initiated in 1917. The political decisions which were made at that time, including the course of industrialization, did not depend in the least on the answer to this question.

Second, I do not consider convincing efforts to link Lenin's article "On the Cooperative" to the "change in his views... sometime by the end of 1922." It is easy to prove the way the "new view on socialism" was taking shape in 1921-1922 and its roots can be found in earlier works.

Should we, for the sake of making our present concerns fitting, confuse the concepts of "civilization" with "civility?" No author with high linguistic standards and, furthermore, with a legal education, which Lenin had, could either confuse or consider identical such concepts.

#### Economics and Politics

**M. Gorinov:** It seems to me that in answering the question of why did the decisions which led to the turn in 1929 prevail, we should mention the factors which determined the establishment of the administrative-command system. The first group of such factors was linked to the starting level of the building of socialism: the incomplete nature of the process of industrialization

and the weak development of the infrastructure, including the social one. The second group of factors was of a civilization variety: the traditions of extensive governmental interference in economic life and rigid centralization of the entire national economy, its "closed nature" within the capitals, the poor level of a regional economic autonomy, etc. The third group of factors is related to the consequences of the imperialist and civil wars: the lengthy "erosion" of fixed capital, which aggravated the problem of accumulations, the exclusion of Russia from the world market and its loss of industrially developed Western areas (the Baltic and Poland) which had previously worked for the all-Russian market, and the elimination of estate farming, which accounted for 20 percent of commodity grain. Nor should we ignore factors which proceeded from ideological premises: strong equalization trends in wages, an overall social policy and an antimarket programmatic target in the economy.

Meanwhile, the development of the process of industrialization, while increasing solvent demand for agricultural commodities, demanded their increase. This, however, was hindered by the antikulak policy. In order to upgrade the commodity nature of farming on the basis of production cooperatives, agricultural equipment had to be purchased abroad, which required the necessary currency. In order to have currency we had to accelerate agricultural exports and in order to obtain grain for such exports the peasants had to be given commodities and the commodity nature of farming had to be enhanced. To accomplish this, industry had to be developed. This closed the circle.

It was these and other contradictions that became gradually aggravated with the conversion to expanded reproduction, which "emerged" on the surface in the aspect of the crises of 1923, 1925-1926 and 1928-1929, which "blew up" the NEP system and led to the assertion of the command-administrative system.

**V. Lelchuk:** We spoke of theory. In life, however, everything is decided by practice. It was accurately noted here that there was a crisis in relations with the peasantry in 1923 and there were further difficulties in 1925-1926. But somehow these situations were resolved without the coercion which had become standard at the end of the 1920s and which, subsequently, was actually legitimized.

**M. Gorinov:** How did we come out of the 1925-1926 crisis? The export-import plan was extremely reduced and new construction projects were frozen. Let us add to this the headlong increase in indirect taxes, reduction of withholdings from the state budget for the reserve fund, increased procurement prices for grain (the reverse side of which was a substantial drop in the production of industrial crops). The final reserves of the period of restoration were activated as well: the unused reserve factory-plant equipment. In order to support the "fluctuating" chervonets, the People's Commissariat of Finance threw gold and foreign exchange reserves on the

domestic market. Such was, in its general feature, the price of solving the 1925-1926 crisis. In my view, such reserves could not last long. It was their actual exhaustion that largely determined the conversion to noneconomic methods in solving the problem.

**Yu. Goland:** The 1925-1926 crisis was related to the adoption, in the summer of 1925, of unrealistic plans for the development of industry and capital construction, which led to a credit inflation. This was solved by revising such unrealistic plans and making them consistent with the country's possibilities. At that time nothing terrible appeared in the increased share of indirect taxes. As to grain procurement prices, although in the spring of 1926 they had increased somewhat compared to the autumn of 1925 such increases had always taken place in the spring even before the revolution; after the harvesting of the new crop, in the autumn of 1926, they declined noticeably.

Putting to use technically obsolete equipment took place in the autumn of 1925 as a result of the unrealistic plans for the development of industry. This worsened the crisis instead of being a method for its elimination.

Naturally, the revision of unrealistic plans is a rather painful process, and the state was forced to resort to the use of state reserves. However, in the first half of 1926 the economic substantiation for the policy of the state laid the foundations for the restoration of an economic balance in the economy and, consequently, created premises for strengthening reserves. What mattered was not to repeat the errors which had been made in the summer of 1925. Their recurrence indeed led to the threat of the exhaustion of reserves. However, this was not inherent in the NEP itself. The NEP system was "blown up" not by the objective contradictions within it, which had been the sources of its development, but the wrong directions adopted in the policies of the Stalinist leadership.

**V. Lelchuk:** It seems to me that in our study of objective factors we are nonetheless paying little attention to the subjective ones. As long as Stalin did not feel himself the full master and had not become convinced that the party had become an "order of warriors," of which he had dreamed at one point, he could not undertake the implementation of the policy which he pursued subsequently.

Were there objective conditions for continuing the NEP or only for the fast development of the administrative-command system? I believe that possibilities existed for both. The subjective factor was of decisive significance. Perhaps this was one of the main lessons that we can learn for the present. For today as well there is a struggle for and against perestroika. Objective circumstances exist for both ways of development. Nonetheless, the subjective factor will be of decisive significance. From this viewpoint as well the lessons of the 1920s are much more important than all of our arguments as to the extent to which Marx's theory was followed.

Could Lenin have convinced the party in April 1917 to chart a course toward socialist revolution at a time when many of his fellow workers could not understand him? Could he convince it during the period of the Brest talks? Yet, after he was already ill and, perhaps, had already reached the tragic conclusion that the entire viewpoint on socialism had to be changed, his supporters did not accept his new views. Furthermore, they tried to conceal them not only from the entire party and the people but even from the Central Committee. They thus crossed a threshold beyond which the party became somewhat different from what it had been. In 1923 there still were discussions. Stalin was still forced, to one extent or another, to deal with those same Trotsky, Zinovyev, Kamenev, Bukharin and others. After he had succeeded in getting rid of all of them, however, there was no need for arguments or persuasion. He could march straight ahead and deal with the "left-wing disease," something which Lenin had possibly feared the most.

The year 1929 is interesting for us perhaps also because at that time Stalin was celebrating his 50th birthday. Compare this with some 9 years previously, when Lenin was celebrating his. These were already different parties. In any case, there was a different type of attitude toward democracy, the people and socialism as a whole, if you wish. Taking this into consideration, we can see that the situation had changed and that the policy which Stalin had promoted somewhat earlier, had become a true possibility.

**V. Tikhonov:** It was no accident that Stalin chose December 1929 as the year to declare "war" on the peasantry. Having destroyed the last opposition group and forced it to capitulate, he openly began to implement the policy of elimination of the "petit bourgeois element." At the same time this may have been the testing stone to determine whether he would be able to assume total control over the party and to subordinate it to himself.

**V. Kozlov:** The establishment of Stalinism and the death of the NEP, in my view, are largely related to the implementation of the idea of the "transfer" of funds from the agrarian to the industrial sector. The arguments was not whether or not nonequivalent trade was needed but how much and when precisely one could take more or take less. With such an attitude toward this problem, we actually put the peasantry in an extremely difficult situation. Politically, the "transfer" objectively turned the normal economic behavior of the peasant into a factor which was destabilizing the economy. This undermined the foundations of the NEP which had meant a union with the peasantry.

**O. Latsis:** In itself, the question of the "transfer" does not absolutely oppose such union. Let us note that no one claimed to reject the policy of such a union, regardless of the suggested "transfer." This was not a quantitative but a qualitative problem, for there is a limit: to pay the price of restoration or not to pay it, and to cover costs or not. If the price of the grain would cover costs

and barely left something to the peasant with which to develop the farm, this was one type of transfer, something which is practiced by any country in solving the problem of industrialization. It is an entirely different matter if it is a question of whether to develop or ruin the peasant economy, depriving it of the opportunity for even simple reproduction. The question was not of "transfer" in general but of its extent.

The idea of the union, on which the NEP was based, was born of the crisis of relations between the two allies: the Civil War had ended and the foundations for such a union had disappeared. The peasantry broke its alliance with the working class because there was land and, beyond it, there was nothing else. Lenin found a new base for union in the policy which was adopted at the 10th Congress: the policy of tax-in-kind. This was a compromise. However, as it developed, this policy triggered systematic crises. The first one was the crisis of the price "gap," the 1923 marketing crisis, which was solved on the basis of making concessions to the peasants. State monopoly retreated. The 1925 crisis as well was settled by making concessions to the peasants. The speeches of the "new opposition" at the 14th Congress and the further criticism of this policy by the "Trotsky-Zinovyev Bloc" were rejected on the basis of the priority in the development of the agrarian economy. Why was it, suddenly, that the grain crisis of 1928 had to be solved by suppressing the peasant?

**V. Danilov:** in terms of their origin and nature, the grain procurement difficulties of 1927-1928 were related to market fluctuations against the background of growing production and commodity turnover of farm produce. Whereas the development of events turned into a crisis, laying the beginning of the breakdown of the NEP, this was by no means the consequence of "fatal" objective changes in the economic structure. The situation had changed in the political leadership. As long as a balance of forces remained within it, a balance which had existed under Lenin, "crisis situations" could be given an entirely satisfactory solution (not in the least because they were precisely "political crises"). Now, with excluding the party of the United Opposition and the removal of its leaders from participation in political leadership, the Stalinist group was able to make decision based on its own aspirations and not at all on the task of ensuring optimal economic development.

**V. Tikhonov:** Why did they not follow the path of sensible and healthy economic management? Because it was then that the state-monopoly type of economy began to take shape and the peasantry was considered the social base of the petite bourgeoisie, the revival of which was feared. That is why the grain problem was artificially created by constantly juggling prices. The grain difficulties of the end of 1927 appeared only on a price basis. On the one hand, prices of industrial crops and agricultural equipment increased whereas, on the other, grain prices

dropped. Under such circumstances, how could the peasantry not wish to wait until the government would be forced to cancel its decision to lower grain prices?

**Yu. Goland:** I cannot agree with the fact that the grain procurement crisis broke out in the autumn of 1927 only because of a wrong price policy. The correlation between the grain procurement prices and industrial crops in that same year of 1926 was even less advantageous in terms of grain crops, while grain procurements were developing successfully.

Grain sales to the state were influenced by several factors. Above all, this involved meeting the needs of the peasant farms, taking insurance funds into consideration. As the national economy was rebuilt during the NEP, a trend toward reducing grain sales by farms with no free surpluses appeared. The bulk of commodity grain was found in the farms whose area in crops was below the national average. Their behavior was determined above all by whether, using the money earned from the sale of grain to the state, could buy the necessary industrial goods, both consumer and industrial. The autumn of 1927 was characterized by a sharp "hunger" for industrial commodities. In the case of the prosperous peasant farms, the difficulty of procuring them was aggravated by the worsened attitude toward them on the part of the state. A ban was imposed on selling complex agricultural equipment to such farms. The consumer cooperatives did not sell them commodities in short supply. Under such circumstances, they had no incentive to sell the grain. Furthermore, rumors of war made it necessary to hoard grain reserves. Major faults in the organization of grain procurement played a role as well.

Unquestionably, an economically better substantiated price policy could have eased the grain procurement crisis but could not have avoided it, for other factors which were shaping that crisis continued to operate. Essentially, this crisis was a manifestation of the consequences of the economic policy which had been pursued since the autumn of 1926, when the excessive redistribution of funds in favor of the development of industry and the struggle against the private sector in the national economy was launched. In this connection, I totally disagree with the claim that the crisis in grain procurement could not be surmounted because of the defeat of the United Opposition. Conversely, it was brought about by the gradual adoption of the views of the Stalinist group in the leadership. Unquestionably, however, the then existing internal party system hindered the solution of the crisis, for it obstructed the formulation and support of the alternative to the Stalinist Policy which was subsequently characterized as "rightist deviation."

**G. Shmelev:** It seems to me that we must consider the attitude toward the peasantry not only during the year of the "great change" but also in the period which preceded it. The previous approach was as follows: there were the poor, the middle peasants and the kulaks. On the eve of 1929, they began to classify the middle peasantry as well

into weak, prosperous and average (the average middle peasant). As to the prosperous peasantry, it included a significant part of the middle peasantry to which the higher tax was extended. Typical of that period was the cult of the poor, as had been the case during the Civil War. This was a revival of the policy of the committees of the poor but under a different name. The elimination of the kulaks as well was initiated at that time. Already then, in some areas, anyone who farmed his fields well, who had purebred cattle, who was building a new house, and so on, was classified as a kulak. We thus ourselves encouraged the policy of the mass elimination of the kulaks.

**Yu. Goland:** The dialectics of the peasant farm should be considered. The prosperous farms had purebred cattle and equipment. In order to justify all this they had to sell them to other peasants. That is what they did. This was mutually profitable and contributed to the development of production forces. However, in our country such relations were interpreted as exploitation. Since the middle of 1926 the policy of restricting the growth of large peasant farms became stricter. As a result, the individual, the private peasant farm lost development possibilities. Something had to be done: either go back to the policy of 1925, which was one of not preventing the development of the large farms, or else take a different route which led to collectivization. It was the latter that the Stalinist group in the leadership adopted as the right solution. The prime reason for precisely this selection, in my view, was economic incompetence on the part of those who were making the decisions and the unwillingness to listen to the specialists, who were charged with complicity with the kulaks, and so on.

**V. Tikhonov:** The largest farms were classified as kulak farms. However, did the kulaks exist as a class? I believe that they did not. Yet, in 1929-1930 any farm which, in terms of its level of development, stood above the average, including farms which made steady use of hired labor, who had any kind of mechanically driven machine, which leased equipment and engaged in commerce were classified as belonging to the kulaks. Furthermore, the local authorities were allowed to add to this list. If a farm would fit such characteristics even in terms of a single feature, it could already be classified as a kulak farm and therefore could be closed down. It was on the basis of this kind of definition according to which, as you can see, the property feature was stronger than the social feature, that collectivization and the elimination of the kulaks were practiced.

**G. Shmelev:** Small-scale production, exclusively based on its possibility of generating capitalism, could not be considered capitalist. We know that under capitalist conditions very few petty producers become capitalists, while the majority of the rest go bankrupt. Socialism is able somehow to regulate such relations. If we approach the problem from this viewpoint, why is it that hired labor under socialism always means exploitation? In the GDR and Hungary workers employed in the private

sector enjoy all the benefits of the social plan and have the possibility of earning wages higher than in the state sector. What kind of exploitation is this, generally speaking? How is it manifested? Can we speak of exploitation in a socialist agriculture with its seasonal production which, at any given time, may need additional manpower to harvest the crops? Should in all cases this be considered exploitation of hired labor and as something incompatible with socialist production?

**V. Danilov:** We find many exaggerations in our publications concerning the social stratification of the countryside in the 1920s. Nonetheless, in serious works the kulaks are by no means considered an independent social class which had become totally alienated from the peasant environment. Discussions about the kulaks as a class, in my view, cannot be started considering that this is not a valid topic.

#### The Decision-Making Mechanism

**S. Shcheblygin:** It is said that Lenin's new views on socialism "were lost," and that no one accepted them. However, the Leninist ideas were heard in 1925, when Stalin had to make an alliance with Bukharin for the sake of the new deployment of forces within the Politburo. Consider Kuybyshev's work "Lenin and the Cooperative," in which everything is spelled out, everything is explained. The article described the new turn and proved that Lenin was even returning to the populist ideas of reaching socialism through the middle countryside, the middle muzhik. As a whole, the party was familiar with the new Leninist ideas. It knew them before they had been truncated. Both Kuybyshev and Bukharin, and even Stalin, at that time, had done a great deal to publicize these ideas.

What matters is something else as well: to trace the logic of the internal party struggle. This logic distorts the entire nature of the problem and the very formulation of such matters on the theoretical level. If we consider the materials of the results of the 14th Congress, we would see that both Kirov and Ordzhonikidze included in their statements a criticism of Bogushevskiy to the effect that he was "unable to see the kulak." In other words, Stalin had already set up his own front of struggle against the "right-wing."

Yes, the 1928 grain crisis objectively existed and demanded a specific reaction. However, it was not this alone which motivated Stalin's policy. A provocative concept was originated in connection with the "Shakhty Affair." It was thus that Stalin surreptitiously formulated his political line by "accepting" Bukharin's 1925 alternative. The trouble was that at that time Bukharin failed to take the new interpretation of Lenin's ideas to their end. That was, in my view, the time when the slip occurred.

**O. Latsis:** On the surface it seems obvious and unquestionable that Stalin's policy was based to a decisive extent on his aspiration for undivided power. However, in order to destroy, let us say, Bukharin, he had to prove that in the Comintern as well he had not acted properly. To this effect the entire policy of relations between communists and social democrats throughout the world had to be turned upside-down. It was necessary to prove that in matters of industrialization as well the "right" suggested "the wrong thing," and to insist on having an optimal 5 year plan and not just a starting plan. It was necessary to prove that the approach to collectivization was wrong and that an accelerated collectivization was necessary. Unquestionably, this part of Stalin's task, which was unquestionably present was, as a whole, implemented roughly toward the spring of 1929. At that time he had already prevailed in all such matters and secured for himself not only the support of the majority but also the surrender of the "right-wing" itself. By the 16th Party Conference, which approved directives on the 5-year plan and discussed the matter of work with the peasantry, total unity already prevailed. At that time there was still no question of hanging the kulaks.

However, literally a few months later, by the end of 1929, it was already a question of the total elimination of the kulaks and of hanging. From the viewpoint of the struggle for personal power, this was obviously unnecessary. The struggle was being waged no longer against Bukharin or any other rival, for personal power had already been attained, but directly against the peasantry. The war on the kolkhoz peasantry, which was actually declared in the report submitted at the January 1933 Plenum was, from that point of view totally unnecessary. What then was the explanation, at that time, for such steps, why did Stalin do something which clearly conflicted with the interests of socialism, and why did he want to do that? This question, obviously, does exist.

**D. Shelestov:** How, nonetheless, was Stalin successful in leading the most active segment of the party, including the Leninist guard? I think that under those circumstances Stalin was able to find his own approach to the problem of understanding socialism. We somehow ignore the fact that he immediately raised the question not of the possibility of socialism in general but of the possibility of its victory in a single, a separately taken country. We usually say that Stalin started on the way to self-assertion by taking over the apparat. However, some kind of platform for such self-assertion was needed. And it was precisely on the platform of proclaiming the possibility of the victory of socialism in a single country that he was able to assume the leadership of the party apparat and of some of the old guard.

**V. Lelchuk:** The segment of the party which we describe as the Leninist guard was defeated in the 1920s. I do not question the fact that it surrendered. After them came Syrtsov, Ryutin and others. However, these were already tragic outbursts which solved nothing. Incidentally, they were unknown to the rest of the country. They virtually

changed nothing but merely strengthened Stalin's line of what could be described as bloody subordination. At that time, essentially, there was no real opposition to the Stalinists not only within the party but also among the old intelligentsia, which was simply rejected. We somehow forget that the "Shakhty Affair" was not simply an illegal but a deliberate act planned by a group of people and carried out by them. This action does not fit in the least in our concepts of Marxism or socialism.

**S. Shcheblygin:** We read and reread Lenin's "Letter to the Congress" and frequently fail to see in it the methodological stipulation which could help us today. Lenin feared a possible split within the party and identified the roots of this possibility. To begin with, this implied a breakdown of the alliance between the working class and the peasantry. Secondly, differences on the personal level between Stalin and Trotsky. As a Marxist, Lenin considered admissible somehow to equalize the possible manifestations of these different factors. In addressing ourselves to that time, we try somehow to reduce everything to the logic of socioeconomic development. Furthermore, we speak of the weakness of economic cadres. However, the NEP operated with such cadres as well. Why? Because side-by-side with the cadre official, as a rule, there was a "specialist." When the campaign against the "specialists" was mounted, the CPSU passed a special resolution (1930) according to which the "Red director" should himself manage. The command-administrative system, at that point, simply developed straight out of the incompetence of the new economic apparatus. Yet all of this began with a subjective decision dictated by Stalin's aspiration to create a "background" in the struggle against the "right" similar to the "background" he created with the thesis of the aggravation of the class struggle in the countryside.

**O. Latsis:** We cannot reduce the question of the subjective factor to the study of the characteristics of a single personality. In this case everything is clear and is even not all that interesting. Nonetheless, among the party members of that generation, regardless of their platform, the ideas of unity and acceptance of the will of the majority were absolutized. Incidentally, Lenin had never believed in such unity to that extent. How did he solve the problem in April 1917, while talks were under way on the unification of bolsheviks with mensheviks? He did not ask for any kind of majority but, at the meeting of the Petrograd Soviet, he delivered the type of speech that made the people totally forget the discussions with the mensheviks. The people simply did not wish to hear about any restoration of unity. How did he behave toward the majority which disagreed with him in the dispute about the Brest Peace? He did not consider unity some kind of religious concept applicable to all. But why did Bukharin obey Stalin, convinced that he was doing this not because even more radical opponents of Stalin had surrendered? To this day, our views on the 10th Congress and its resolution on unity are being preserved on the level of a basic truth such as they were interpreted in the "Short Course."

**V. Kozlov:** The resolution of the 10th Congress later became Stalin's "truncheon." There was, furthermore, a dramatic turn when the period of "stillness" ended and the debate of 1923 broke out, when new resolutions on intraparty democracy emerged. Trotsky (with 46 other old communists), regardless of the reasons for which he had done this, raised the following question: If we do not have a multiparty system we should have within the party the type of system which would make the expression of the various social interests within the framework of a single party possible. Essentially, although it was adopted, this resolution was not applied and the possibility of developing a system of political blocking of "doctrinal stupidities" simply did not exist. As a result, quite frequently we were unable to make theoretically and practically accurate decisions.

**V. Danilov:** To this day, the mechanism of rule within the party and the state remains totally unstudied. For that reason we are unable to answer the most important questions: How did it happen that "unlimited power" was concentrated in the hands of the general secretary, as it became clear after a change in the situation was no longer possible? Why was it that Trotsky, such a major personality, was defeated as early as 1923, a defeat from which he was unable to recover? What can explain the ease with which the Stalinist group defeated Bukharin, Rykov and Tomskiy, who enjoyed the support of the majority both within the party at large and the "Leninist guard?" Without an answer to such questions, i.e., without a study of the mechanism of power we cannot understand the course of the Stalinist "revolution from above," its victory and its meaning.

**D. Shelestov:** If it were within my power, I would show a few motion pictures from the time of the cult of personality, particularly one such as "The Oath." It has two peak moments: the first is the oath (which did not exist) on Red Square where standing by Lenin's casket, Stalin swore to build socialism. The second comes 12 years later: Stalin proclaims to masses of people, whose faces express happiness and joy, that we have already built socialism, the first phase of communism. I am mentioning this not for the sake of irony. This is a reflection of our tragedy, which is so sharply felt by us today, including the tragedy of our science of history, if you wish. We fell into the trap of the system: socialism will be built and, by the mid-1930s, socialism was built. It is here that we find the key to understanding many problems which we are considering today.

I am also concerned by a question related to the sharpened perception of that which pertains to the human losses we have suffered in 70 years. A number of views exist on this matter and various figures have been quoted. A great deal here depends on scientific data. We cannot engage in any kind of estimates on an isolated, a scattered basis. We do not have as yet any reliable statistics. The 1937 census, as it were, was not made public and the 1939 census was highly questioned by the

specialists. This was followed by a leap which took us to 1959 (it is true that we have data for 1946 as well but, it seems to me, they are not entirely accurate).

We have a demographic department of the USSR State Committee for Statistics Scientific Research Institute, a Center for the Study of Population Problems of Moscow State University, and a USSR Academy of Sciences Scientific Center for Historical Demography and Historical Geography. It may be expedient somehow to combine their studies in order to come up with a reliable collective document.

**O. Latsis:** I deem it quite important that paradigms of socialism were mentioned here. We will never get to arguing about that if we keep on structuring alternate ideas within the old system of politics, which offered no alternatives, and within the most general concept of socialism, i.e., in the old paradigm of socialism.

I believe that it can be proved that Lenin did not have a detailed cooperative plan. There was no plan, there was a concept. Lenin proceeded from reality on the threshold of the creation of a new paradigm. He did not create it but he came close to it. It can be seen in his final works, above all in his work "On the Cooperative;" above all, this applies to a rejection of the concept of the "initial NEP." It was a rejection in the sense that Lenin realized that one must go further. He raised the question not only of another way to socialism, which the NEP was considered to be, but of a different concept about socialism itself. The cause of his fellow workers should have been to continue Lenin's quest and, to a certain extent, they started doing this. Naturally, Bukharin's speech in 1928 was a final convulsive effort, nonetheless, to develop the new paradigm. We do not find this in Bukharin's works but he was "on the threshold" and could have formulated it had he not been alone (or supported by a few fellow workers) but had remained part of a truly democratic leadership. At that point, possibly, both Chayanov's ideas and the idea of lengthy coexistence among different forms of ownership would have found their expression. At that point the market would have been different and there would have been different opportunities for providing commodities to industry and the commodities which industry would have provided the countryside would have included not simply consumer goods but also means of production, at which point there would not have been such a hopeless contradiction between industrialization and the realization that it was nonetheless necessary to purchase grain in exchange for industrial goods. It turned out, however, that it was easier to go the other way.

**V. Kozlov:** The process of establishment of Stalinism, the destruction of the market and the creation of the command system followed a variety of directions. Let me recall the word which appeared in 1932-1933: "Neo-NEP," when Bukharin, essentially anew, after the illusion of 1930 about straight barter, began to return to the idea of a socialist market. It was precisely at that time

that Bukharin developed a new array of studies about a cooperative-market socialism, the significance of which we still underestimate. It seems to me that Kirov's trend within the party, the so-called "soft group," was another attempt at finding a different way.

**V. Lelchuk:** It is not my intention to claim that after 1929 some kind of new approach could have been adopted by Bukharin to explain the events outside the Stalinist line of development of the party or to develop some kind of new concepts.

**V. Danilov:** Why not? I believe that in connection with the "Kirov alternative," Bukharin may have developed new hopes, including thoughts about the "Neo-NEP."

Discussions on the "Neo-NEP" appeared at the beginning of each spring: in 1931, when the 10th anniversary of the NEP was being celebrated, and in 1932. The Stalinist leadership itself was promoting in the countryside the hope for a NEP during the spring, returning in the autumn to the requisitioning of farm produce.

**Editorial note:** Naturally, this roundtable discussion did not encompass the entire scope and variety of problems which existed at that time. However, it leads to important conclusions of a methodological nature, emphasizing the decisive significance of the interconnection between economics and politics at the crucial stages in social development.

Even the most progressive revolutionary doctrine, as it follows from this discussion, can be a reliable party instrument only as long as the party is capable creatively to put it to practical use. The loss of such a capability means that this theory turns into dogma and, therefore, to a certain extent, a handy way in solving problems raised by reality.

The ability of the party creatively to interpret the processes and changes occurring in society is directly related to the extent of democracy within the party itself. Any weakening of internal party democracy narrows the framework of analytical vision of the problems and leads to subjectivistic decisions and to a lack of understanding of the interconnection between economics and politics.

The lack of a democratic mechanism in decision-making and dogmatism in theory inevitably lead to errors in assessing problems of economic and political nature, which lead to an increase in difficulties and, in the final account, to deformation of the very foundations of the development of society, earmarked by revolutionary theory.

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**About Krupskaya (Letter to the Editor)**

18020011m Moscow *KOMMUNIST* in Russian No 5,  
Mar 89 (signed to press 17 Mar 89) pp 105-106

[Letter to the Editors by V. Dridzo]

[Text] In connection with the fact that currently some publications are beginning to mention more frequently Nadezhda Konstantinovna Krupskaya and Stalin's attitude toward her, allow me to mention some things with which I am intimately familiar.

For 20 years (1919-1939) I was Nadezhda Konstantinovna's private secretary. She told me a great many things, and I too saw a great deal myself. I have been a member of the party since May 1920 and am the recipient of a Union pension.

Why was it that 2 months had passed after Stalin had had a rude discussion with Nadezhda Konstantinovna before V.I. Lenin wrote to him a letter in which he demanded that Stalin apologize to her? I am possibly the only one who knows what truly happened, for Nadezhda Konstantinovna frequently spoke to me about it. This occurred at the very beginning of March 1923. Nadezhda Konstantinovna and Vladimir Ilich were discussing something. The telephone rang. Nadezhda Konstantinovna walked to the set (in Lenin's apartment the set always stood in the hall). When she came back, Vladimir Ilich asked:

"Who was it?"

"Stalin, we made peace."

"How so?"

Nadezhda Konstantinovna then had to describe everything that had taken place in December 1922, when Stalin had telephoned her, had spoken to her quite rudely, and had threatened her with the Control Commission. Nadezhda Konstantinovna asked Vladimir Ilich not to pay attention to this, for everything had been settled, and she forgot about it. However, Vladimir Ilich was intransigent. He was deeply hurt by Stalin's behavior toward Nadezhda Konstantinovna, and on 5 March 1923 dictated a letter to Stalin with copies to Zinovyev and Kamenev, in which he demanded Stalin's apology.

Stalin was forced to apologize but he neither forgot nor forgave Nadezhda Konstantinovna, and this influenced his attitude toward her. He never saw her or talked to her with one exception.

This occurred in 1925, when Nadezhda Konstantinovna shared her views on Zinovyev's opposition. Stalin strongly objected to having Nadezhda Konstantinovna join the opposition, and he argued with her a long time, promising that if she did not join the opposition he would make a her member of the Politburo. However, he

was dealing with Nadezhda Konstantinovna. She was not seduced by Stalin's offer, and said that she could not change her views. Naturally, Stalin did not forgive her that also.

Soon afterwards, having determined that the opposition was on the wrong track, Nadezhda Konstantinovna broke with it and on 20 May 1927 published a letter to this effect in PRAVDA. In her brief letter she wrote: "Comrades closer to me know that as of last autumn I had withdrawn from the opposition." She added that "the time in which we live demands maximal unity of action and intensive work based on a joint plan."

Today we well understand that it was not tactical differences that mattered but that essentially it was a power struggle, which Stalin won.

Why did Nadezhda Konstantinovna hold on to Lenin's testament for such a long time? She insisted that Lenin's will be honored and that his last will be read at the 13th Party Congress. However, Stalin and the other members of the Politburo were categorically opposed. That was the reason for which talks between Nadezhda Konstantinovna and members of the Politburo lasted such a long time, 3 and a half months, and it was only on the eve of the congress, on 18 May (the 13th congress opened on 23 May) that Nadezhda Konstantinovna released the last will, having agreed that it be read by the delegations to the congress.

I would like to describe one event which, I believe, hardly anyone else knows. This occurred after the death of Mariya Ilinichna, at the end of 1937 or the beginning of 1938. Nadezhda Konstantinovna and I were in her apartment in the Kremlin. The commandant's office rang up asking Nadezhda Konstantinovna's permission to let someone come into her apartment. Allegedly, he was bringing some milk from Gorki. I investigated the matter. I telephoned Gorki. No one had sent any milk. I telephoned the commandant's office and said that Nadezhda Konstantinovna will not let the person in. The commandant's office insisted, rang up two or three more times. We had never previously seen such insistence. I became frightened. I feared for the life of Nadezhda Konstantinovna. Without telling her anything, I phoned Vlasik (chief of the bodyguards of the members of the cabinet), and said that Nadezhda Konstantinovna needed protection. To her I said that it was Vlasik who had telephoned about it. Nadezhda Konstantinovna was quite calm, saying that if this was necessary, so be it. A guard showed up the next day.

At that time Nadezhda Konstantinovna used spent her free time in Arkhangelskoye, the rest home of the VTsIK. Here came the old comrades—the Krzhizhkovskiys, Krasikov, Klara Tsetkin, V.R. Menzhinskaya, and others. When Nadezhda Konstantinovna and I went there accompanied, for the first time, by our

guard, Menzhinskiy's son ran to him. It turned out that that same person had been his father's bodyguard.

In the 1920s and 1930s Nadezhda Konstantinovna's situation was not easy. On the surface, the attitude toward her was one of honor and respect. Until her very death she lived in that same apartment in the Kremlin in which she had lived with Vladimir Ilich and Mariya Ilinichna. The same drivers—Gil, Gorokhov, and Kosmachev—drove her. She was deputy people's commissar of education. At the 13th and 14th Party Congresses, she was elected member of the Central Control Commission; starting with the 15th VKP(b) Congress, she was made member of the Central Committee. She was also member of the VTsIK, and the USSR TsIK; she was deputy to the Supreme Soviet, first convocation, and member of its Presidium. Nonetheless, the attitude of the leadership toward her was quite cool and scornfully-inimical (on one occasion, a Central Committee official in charge of problems of public education even dared pound with his fist on the table and shout at Nadezhda Konstantinovna: "I will show you what the ties between school and life look like!").

It was the deep respect and love of the masses that helped her live and work. I could see this whenever she spoke at factories and plants and addressed various meetings. This supported her. She worked more than she should, plunging into her work, and dedicating her entire life to the implementation of Lenin's behests.

The question to be answered is why did Nadezhda Konstantinovna not stand up for people during the period of repressions? She tried to do this but failed. I remember that the wife of N.A. Yemelyanov, who had hidden Lenin in Razliv in 1917, came to see her. In my presence, Nadezhda Konstantinovna rang up the internal telephone (I do not recall the person she called). The answer she received was "yes, yes, naturally, we shall settle this." They indeed "settled" it, for N.A. Yemelyanov's wife, Nadezhda Kondratyevna and their two sons, Kondrat and Nikolay were arrested soon afterwards, and both sons were killed. Nadezhda Konstantinovna realized quite quickly that her intercession was harming the people.

Only once, during Bukharin's trial, did she tell me: "It is good that Manezhka did not live to see this" (M.I. Ulyanova died in June 1937). There was no more talk between us on such topics. Naturally, she saw and realized everything but, given the situation at that time, could do nothing.

Now as to Nadezhda Konstantinovna's last days. On 26 February 1939 she was to turn 70. On 23 February, on her day off (at that time we had a 6-day week), she was speaking at the Sovnarkom in defense of the 5-year plan for political and educational work; that same afternoon she and I went to Arkhangelskoye, to the rest

home. On her day off, on 24 February, her old comrades came to celebrate her 70th birthday, joined by those who were resting in Arkhangelskoye. There was talk and recollections of old times, of the 1890s, of the "Alliance for the Struggle," and the letters written to Nadezhda Konstantinovna in Russia and in exile. A meal was served and soon afterwards the guests from Moscow left. It was about 9 pm when I went to my room but soon afterwards someone ran to fetch me: Nadezhda Konstantinovna was unconscious. I summoned first aid and accompanied her to the Kremlin hospital. The diagnosis was intestinal thrombosis. Surgery was impossible because her heart was very weak and she could die on the operating table. I spent all that time in Nadezhda Konstantinovna's ward, sitting by her side, holding her hand. She came to only twice, for a few moments. The first time she asked me "what is going on?" I answered that on the occasion of her 70th birthday there had been many congratulatory telegrams and letters and the Central Committee had published greetings. On the second occasion she said: "I don't care what the doctors say, I shall attend the congress," and once again she fell unconscious. I was with her until the very last minute of her life.

Currently, because of my statement that Nadezhda Konstantinovna intended to attend the 18th congress, there have been speculations according to which she wanted to speak out against the repressions and against Stalin. I know quite well that she intended to speak out at the congress on problems of political education. She was preparing herself for that speech and had spoken to me about it. Nor can I tolerate any longer fabrications about the poisoned cake. There was no cake whatsoever and, had there been one, the question is why would everyone else, including myself, remain alive. There has also been talk that her premises and Nadezhda Konstantinovna's dacha were searched after her death. To begin with, she had no dacha. She used the rest home in Arkhangelskoye. Nor were her premises searched. A Central Committee commission went into Nadezhda Konstantinovna's premises after her death, consisting of A.A. Andreyev, G.M. Malenkov, and A.N. Poskrebyshchev. They looked the apartment over and I gave to them the materials (the manuscripts) which Nadezhda Konstantinovna kept hidden and which she had instructed me to deliver to the Central Committee after her death.

Two or 3 days later, two or three Central Committee officials came and they and I began to organize her files. We worked for about a month, after which part of the files went to the Central Party Archives and another part to the Commissariat of Education.

I am writing all this so that there will be no fabrications concerning the life of Nadezhda Konstantinovna after V.I. Lenin's death.

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**Socialist Multinationalism and the World Market**  
*18020011n Moscow KOMMUNIST in Russian No 5,*  
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[Article by Yuriy Semenovitch Shiryayev, USSR Academy of Sciences corresponding member]

[Text] The difficulties of the start-up period of the new economic mechanism and the unfavorable situation on the world markets only partially explain the modest practical results of perestroika in foreign economic activities. The main reasons for this situation are found in the preservation of the conservative structure of exports and the extremely slow and unsystematic conversion to contemporary forms of international cooperation. Our foreign trade is still using 50-year old methods. Pressing problems have appeared, related to the deformation of the functions of international tourism which has largely turned into a means of "exporting the scarcity" of consumer goods in greater demand.

The worsening of problems related to perfecting foreign economic activities is due to the fact that during all previous economic reforms in the USSR and (with rare exception) in the other socialist countries, the overall autarchic approach to economic life was preserved as a whole. The usual understanding was that upgrading the efficiency of the national economy would in itself bring about improvements in trade conditions and increased efficiency from the participation in the international division of labor. As a rule, the feedback was ignored. All of this makes particularly relevant problems, such as the national openness of socialist national economic complexes to the foreign markets (above all the reciprocal trade market), the development of export-oriented processing industry sectors, the active involvement of enterprises and associations of socialist countries in multinational economic activities and the creation of joint enterprise zones.

The formulation of the problems of socialist multinationalism, considered even on a purely theoretical basis, inevitably encounters at least two essential objections. The first includes our traditionally narrow assessment of the area of multinational activities, thus surrendering it to the Western monopolies. There are grounds for this, particularly the continuing sharp ideological struggle related to the activities of multinational corporations of developed capitalist countries. Nonetheless, this approach is also largely related to scientific dogmatism and stereotypes which have developed in economic literature.

The capitalist multinational corporations, naturally, are not philanthropic organizations. Nonetheless, the process of the multinationalization of economic activities, as a phenomenon of the contemporary global economy, cannot be explained solely as the pursuit of superprofits by corporations. It has an objective foundation, which is the intensifying internationalization of economic life, science, technology and production, and the sharp

increase in the role and broadening of the geographic framework of corporation relations, which make it possible to combine within large international scientific-production units elements of the production structures of different countries.

In as much as we are dealing here with an objective trend in the development of production forces, the question of extending multinational activities in one form or another to the socialist world as well legitimately arises. As practical experience has indicated, the cost of ignoring the realities of international economic life is quite high.

Such policy is inevitably accompanied by a loss of advantages and, in the final account, by stagnation phenomena in foreign economic activities. There are substantial reasons to believe that numerous adverse trends in the international socialist division of labor (poor dynamics, a conservative and morally obsolete commodity structure of reciprocal trade, poor development of scientific and production cooperation, etc.) are due to underestimating multinational activities and exaggerating the possibilities of individual national economic complexes or even the CEMA intergovernmental complex, based on the autonomous use of domestic resources.<sup>1</sup>

The second objection is reduced to claiming the allegedly insufficiently maturity of economic, scientific and technical and organizational prerequisites needed for including a socialist country in multinational activities. In the face of the current volumes and features of multinational operations, it may appear possible to conclude that such activities become possible and necessary under the conditions of "overaccumulation" of capital, the extensive use of contemporary equipment and technology and the extremely high mass production based on them. However, such a conclusion conflicts with broader historical practices.

Following the initial experiments of the creation of a number of Soviet-Mongolian production and transportation organizations in the prewar period, after the war there was a drastic "outburst" of multinational activities in the Soviet Union and in the people's democracies. This refers to establishing on the territories of these countries mixed companies, based on the use of assets which had belonged to capitalists from the Axis powers—Germany, Italy and Japan. At that point, a widespread network of essentially multinational enterprises appeared, employing many hundreds of thousands of working people.

The question of the effectiveness of this system and the substantiation of its subsequent (1956-1957) almost total dismantling are as yet to be studied thoroughly. Based on what we already know, however, it is clear that had an economic approach been used, such dismantling, which took place without taking thoroughly into consideration the interests of each of the partners, would have been

simply impossible, for in a number of cases existing forms of economic interaction, which guaranteed benefits to all participants, had been artificially eliminated.

Be that as it may, the appearance of dozens of large joint companies at that time, when the practical development of the mechanism of international socialist division of labor was only at its beginning, is of unique historical value. This was, above all, an initial experience in joint economic management and in solving a variety of problems of target financing, price-setting, division of end results, and so on, i.e., precisely problems which are relevant today. It is also an illustration of lost opportunities, something which, unfortunately, has been frequently the case in the course of more than 40 years of cooperation among socialist countries.

As we know, it was not only the capital of developed countries that was involved in the process of multinationalization of production and trade. As the target of exploitation by the biggest multinational corporations, in recent years the developing countries themselves have set up multinational structures, although their volume of operations has remained relatively small. Let take the example of India, whose direct capital investments abroad between 1969 and 1980 exceeded foreign capital investments in that country. All of this makes us reject the objections we mentioned.

Socialist multinationalism is a trend whose time has come. By purging multinational activities from the contradictions inherent in capitalism, socialism can use it to its own interests as well as, actually, in the interest of most countries throughout the world. Its multinational organizations, adopting global practical experience acquired over long periods of time, could combine, more successfully than any traditional form of interaction, the production and scientific and technical potentials of individual countries without the total standardization of domestic legislation or domestic cost accounting systems. Various types of reciprocal relations are possible between the center, the nucleus of the system, and its branches or partners in the individual countries. This makes it possible to take into consideration the specific nature of the participating countries.

Such organizations can efficiently contribute to supplying the domestic markets with modern goods, and to creating a joint market of CEMA countries, at least in terms of specific commodity groups, individual items, parts, assemblies, etc.

Formulating a code of behavior of socialist multinational organizations, so that a clear distinction could be made between socialism and capitalism in this matter, is an essentially important feature.

The socialist multinational organization should be built only as a **voluntary association** of industrial or agricultural enterprises of socialist countries, linked by common interests in the development, production and

export of competitive goods on the reciprocal commercial market as well as on the world markets. Furthermore, given the variety of existing multinational formations (including those of the developing countries), involving socialism in such activities could contribute to their democratization on a global economic scale, above all in areas which embrace the concept of a new international economic order.

Understandably, in making use of global experience, the socialist countries must also enrich it and avoid blind duplication. By virtue of the nature of relations among states, on the basis of which it appears, the socialist multinational organization will be essentially different from international capitalist structures, regardless of their type.

At this point we come across a well-familiar phenomenon according to which an identical economic form, as it develops within the separate framework of the socialist and the capitalist systems, assumes a different content. Under socialist conditions, the international production structure is, above all, a bearer of relations of international socialist cooperation of labor. For example, the most essential feature of a socialist multinational organization is not a unification of ownership (which could remain national with the exception of jointly financed projects), but a unification among specific production enterprises and scientific and technical organizations, based on the implementation of a joint program for the development, production and export of specific commodities and services.

In precisely the same way, existing differences in wages among different countries should be viewed not as a reason for the forming of such organizations but as a factor which, if efficiently used, could contribute to an overall increase in income and its gradual equalization on the basis of jointly formulated prerequisites for a rapprochement among the national levels of labor productivity.<sup>2</sup>

The exercise by the USSR and the other CEMA members of the right of enterprises to establish direct relations with foreign partners, and the founding of joint associations and organizations, is not as yet exerting a decisive influence on the dynamics and structure of reciprocal trade. However, underestimating them would be a mistake. They mark the beginning of a conversion to a new model of foreign relations, which opens the way to the development of joint enterprise.

The acceptance of such a basic economic unit as a full participant in foreign economic relations became a major contribution to developing a contemporary concept of international socialist division of labor. The right of economic organizations to establish direct relations with foreign partners and to create joint enterprises and organizations is a manifestation of their economic freedom on foreign markets.

Nonetheless, the possibility of developing efficient activities by individual enterprises and associations on the contemporary world market should be assessed on a realistic basis. Four-fifths of the capitalist market are controlled by multinational corporations (MC), which have at their disposal the greatest possible scientific and technical and financial possibilities. On such a market, any individual enterprise which may try to offer large amounts of export goods will prove to be noncompetitive.

Therefore, reaching the cutting edge in the areas of science, technology and production cannot be secured with the reorganization of morally obsolete production and exports structures alone. This also requires changes in the subject of economic activities—the naturalized, the excessively closed enterprise—which lacks sufficiently strong motivations for internal economic and international cooperation. We must develop a new economic unit which could efficiently work on the domestic market and actively engage in international relations. This refers to socialist concerns and associations of small and medium-sized highly specialized enterprises which could not only set up joint enterprises and organizations but also large international associations of producers, and multinational formations based in the socialist countries.

At the present time the CEMA members have a number of national and international organizations which are developing or could develop in that direction. What is important is to make this process purposeful and to create priority conditions for the establishment of socialist multinational organizations on the basis of the mutual interest of the partners.

Thanks to the possibility of applying flexible forms of relations among partners, socialist multinationalism provides, on the one hand, wide scope for the real socialization of socialist production and, on the other, creates suitable prerequisites for joint breakthroughs on the world markets. The situation itself in the world economy leads theory and practice into actively developing problems of socialist multinationalism.

By virtue of these circumstances, one of the most important results and, at the same time, a prerequisite for the efficient utilization of the economic space provided by the socialist community is that of establishing broad international scientific-production structures which can make possible the mastery of the latest achievements of scientific and technical progress and drastically upgrade the level of competitiveness of output and the application of original technological concepts in commodities and services.

The initiative for the creation of such structures must stem from the enterprises and organizations which would like to exercise the freedom of decision-making in foreign trade and to upgrade the efficiency of their

activities. Stable scientific and technical, production and commercial relations among partners from different socialist countries could be based only on mutual interest.

As practical experience indicates, joint enterprises and organizations set up by decision "from above," cannot operate outside the system of interdepartmental coordination, the funding of material and technical procurements and the distribution of produced commodities. In some cases, their creation is clearly dictated by the aspiration to "extract," under the pretext of using contemporary forms of cooperation, additional capital investments while reducing new construction.

A socialist multinational organization also presumes the establishment of joint enterprises as its structural components. At the same time, it is different from them to the extent to which the big associations, combines, trusts, and so on, are different from the individual enterprise within them. This is a qualitatively different subject of international cooperation with much greater resources, possibilities and rights to maneuver on the world markets. Its activities go far beyond the excessively narrow limits of departmental interests, thus eliminating local restrictions.

Furthermore, in their developed form, such organizations establish essentially new relations with the management systems of participating countries. They are different from the specific nature of these systems, guided by their own logic of development and their "rules of the game" (coordinated among all participants). In other words, a multinational organization worthy of this name inevitably frees itself from the control of national departments by adopting the principle of economic efficiency, contrary to the formal-bureaucratic departmental organization.

Based on resources initially allocated to the constituent members (at this point a certain analogy with leasing is possible), the multinational association pursues its own investment policy, including the determination of the most acceptable sources of additional funds (loans, floating securities, and so on). It thus acquires a greater independence in this key area as well.

An auxiliary but very essential result of socialist multinationalism is its influence on the development of the national economic systems: the dismantling of administration management structures and the use of economic methods.

The development of multinational socialist foreign economic activities is paralleled, in the final account, by the establishment of a joint market of socialist countries. Nonetheless, this does not mean in the least any kind of rigid temporal consecutiveness: first a joint market,

followed by cooperation in the guise of international scientific and production structures, beyond the national framework (and, in the future, beyond the framework of CEMA).

Furthermore, problems of establishing a joint market assume the specific and defined nature they need, precisely from the viewpoint of the development of socialist multinationalism. The contemporary international market is, above all, a market for the largest producers using the latest technological solutions and correlating the scale of their activities with the needs and potential capacity of the world market as a whole. For that reason, the main guideline in the development of market relations within the community is the elimination of administrative and economic barriers which predetermined in the past the national-governmental and departmental "parceling" of socialist production, orienting it above all toward the possibilities and needs of the individual countries and the constant reproduction of autarchic or quasiautarchic trends and decisions.

The prospects for the development of the individual elements of the socialist market such as, for example, the currency used in international payments, become clearer on the basis of such positions. The development of facilities which would ensure the "account settling convertibility" of fixed and working enterprise capital of the participants in international scientific and production systems should become a major step toward full convertibility. The main meaning of such convertibility is to offer the partners the possibility of correlating their contribution with the results of joint activities. Initially, this function can be performed less by "cash" than by securities and assets, whose real value can be determined by a stock exchange or any other similar organization.

As the competitiveness of exports of freely convertible currency develops, the limitations existing in the current system for payments in transferable rubles will be eliminated.

Trends, considered encouraging from the logical point of view, are developing in the course of the restructuring of cooperation among CEMA countries in this area. Thus, having started by establishing close scientific and technical and production relations with Bulgarian partners, the Ivanovo Machine Tool Building Production Association then established relations with the GDR and, in December 1987, signed an agreement for the creation of the Ivanovo-Khichkhon International Association for the production of processing centers and programmed machine tools with colleagues in the Korean People's Democratic Republic.

Skoda, which is the biggest Czechoslovak machine building concern, is expanding direct contacts with foreign partners. Initial practical results have been achieved by

the Robot Czechoslovak-Soviet Scientific Production Association. The socialist multinational transportation company Interlichter has been doing efficient work for a number of years.

Some **partial multinational organizations**, which were started in the past by CEMA members, could be viewed as experimental testing grounds. They include Interatominstrument, an international economic association. Created by Bulgaria, Hungary, the GDR, Poland, the USSR and Czechoslovakia, it has been functioning for more than 15 years. Its main task is to meet the needs of the socialist countries for equipment and instruments in the area of nuclear technology. By the end of 1987, it had delivered items worth some 600 million transferable rubles. The countries participating in Interatominstrument produced no less than 500 different types of devices. The association tries to totally eliminate production duplication. It provides information about enterprises producing various types of appliances. Specialists regularly rate enterprises which are the most efficient in the production of nuclear equipment. It is on this basis that production and foreign trade organizations of participating countries discuss procurements. Although coordinating functions predominate in the activities of the association, it acts as a promoter of technological and production integration in the respective subsector. One of its important features is that for the past 10 years it has been self-supporting.

Interelektro, which started by coordinating technical policy in its area, intends to develop its own production activities. It plans to build its first joint enterprise by 1990. Compared to prices on the world market, its output will be cheaper by a factor of 2 or 3. Cooperation systems which have developed in the production of computers, equipment for nuclear power plants and the implementation of a number of other joint projects may be classified as "embryonic" forms of socialist multinational organizations.

Nonetheless, there still are many sectors and production facilities which have become "overripe" from the viewpoint of international cooperation. For example, despite the noticeable development of cooperation between CEMA and Yugoslavia in automobile manufacturing, the question of producing high-quality passenger cars in large series is being solved extremely slowly. This makes it impossible to meet the needs of the domestic markets, not to mention exports to third countries. The same situation prevails in the production of many types of equipment, household appliances, light industry goods, and so on.

The steps recently taken in the area of customs protection of internal markets is not the best solution to this situation. Like any prohibitions and restrictions in reciprocal relations, naturally they do not contribute to the rapprochement among peoples and do not promote the strengthening of the social orientation in cooperation. However, the high road in the development of reciprocal

trade in consumer goods clearly consists not of facilitating the "delivery of consumers to goods" but of the fact that goods must seek their consumers.

For example, the creation of a large international company operating on the basis of catalog sales is becoming necessary. This could have a double effect: it could sharply expand the variety of goods offered to collective or individual members of so-called "catalog clubs," and the collection of funds (through contributions, commercial profit and loans) which could be used to finance and increase the production of goods in scarce supply and widen their variety. By this token, such a multinational commercial organization could influence the production process not through arbitrary but through purely economic methods

All of this underscores the need for the search of essentially new solutions to some very old problems and for efficient economic instruments and management decisions which would make it possible to eliminate unnecessary national closed reproduction processes. Such a search is facilitated by the fact that international scientific and production structures may also appear also in very important specific features of the conditions and methods for controlling domestic markets in individual countries. Various types of relations, which take into consideration both national and individual specifics, could be applied to relations between the center, the nucleus of the system, and its branches or partners. Socialist multinational foreign economic activities could take place in a variety of ways.

One of them, for example, would be the system of branches in its simplest aspect: a national enterprise or association within a given country, engaged in the production of high quality goods, could set up abroad a system of branches for assembling such products and finishing them in accordance with local conditions, and provide servicing. The branches will retain the closest possible ties with the main enterprise and operate in accordance with the legal and other standards of the countries on whose territory they are located. They could even function as national enterprises. Such experience has been gained by the community in the creation of national stores and public catering enterprises.

In this connection, also noteworthy are international leasing relations. Leasing shops, enterprises, scientific and technical establishments, service centers, and so on, makes it possible to bypass many difficult problems: the system of payments among partners becomes much simpler for this does not imply the dispossessing of national property. Leasing relations could promote the cooperation among hundreds or thousands of small and medium-sized enterprises by contributing, in addition to everything else, to the creation of an international cooperative infrastructure.

Another option is the one according to which an advanced scientific and technical center (national or international) performs the role of a technological integrator which provides all partners with a unified program for applying and multiplying a production system it has developed. It is roughly in this manner that agreements are being implemented for the production of computers and equipment for nuclear power plants. However, in order to convert them into subjects of multinational foreign economic activities, it is necessary to include in such developing international production systems not only the formulation of a unified technological policy and the distribution of production programs but also the final stage: production marketing (in principle, this problem can be solved by creating a joint export company).

The technological merger among cooperating enterprises is a more complex system. It presumes their voluntary surrender of the right of making autonomous decisions in the area of technical development, and regularly to coordinate problems of technical standards and variety of finished products, assemblies, parts and semifinished goods. This system involves the use of an international center or a head organization, which can efficiently manage the activities of several enterprises operating in different countries.

Understandably, the direct internationalization of technological and commercial activities presumes greater freedom of the international system, without which, even after a starting period, it could not systematically be guided by the principles of cost accounting, self-financing and self-support. That is why an essential prerequisite for the development of socialist multinational organizations is to surmount the mentality and practice of departmental autarchy which hinders the search for the most efficient economic solutions through extensively involving production sectors and individual production facilities in a modern international division of labor.

However, many of our sectorial ministries have now obtained, in addition to their domestic economic monopoly, a monopoly on foreign relations on the sectorial level. They are setting up "sectorial foreign trade ministries." This restricts the exercise of enterprise rights in the foreign economic area and leads to upgrading the percentage of bartered deals, preserving obsolete intrasectorial trade structures and lowering the professional work standards on the foreign markets.

Under contemporary conditions, however, holding a monopoly in foreign relations cannot be considered outside the context of the new concept of socialist centralism, implemented not on the basis of a command-administrative order with the use of a departmental hierarchic structure, but on the basis of a system of economic standards and management conditions which



would ensure optimizing the balance of the interests of specific subjects of economic management and the national economy as a whole.

This reemphasizes the need for solving the most important economic and management task of turning concerns, economic associations, MNTK, cooperative organizations and regions into the main subjects in the domestic and foreign areas. They can be assisted by intermediary foreign trade organizations operating on the basis of self-support and self-financing.

Today we must daringly engage in the search for other forms of interaction among national economies. One of its trends could be the creation of special border or customs zones operating under a system which would maximally facilitate contacts with foreign partners.

The dynamic development of "CEMA corporations" presumes not only corresponding mature economic prerequisites. It will need efficient ways and means for coordinating policy, including national economic legislation. Changes in the political mechanism for mutual cooperation are a necessary prerequisite for making use of the advantages of extensive economic opportunities.

Finally, let us note that by virtue of their flexibility, multinational structures can substantially upgrade the efficiency and reliability of ties with third countries. The international socialist scientific and production systems should be open to all companies and corporations, including multi-European ones (Western European) which would show a willingness to engage in equal partnership relations, based on mutual advantages.

All of this would contribute to the elimination of the deformation pointed out by M.S. Gorbachev in his speech at the ASTES Meeting: "...The world market has been reduced essentially to the market of the developed capitalist countries in America, Western Europe and Japan, and to those which have found themselves in their immediate orbit. Has not the time arrived when we must seriously think of organizing a truly contemporary global market?"

The possibilities of establishing economic relations between the members of the socialist community and the developed capitalist countries, including multilateral joint enterprises, are largely related to the use of the most advanced forms of trade and economic cooperation within the world socialist system, which would include multinational enterprises.

#### Footnotes

1. This includes also a deeper contradiction which has been noted, among others, by Yu.A. Krasin: "Our time is one of a striking paradox: internationalization becomes an important essential feature of contemporary capitalism in economic and political life, while the labor movement—the historical base for international labor

solidarity—remains essentially within the framework of the national platforms of struggle for its vital interests" (Yu. Krasin, "New Thinking In Relations Between Communists and Social Democrats." MIROVAYA EKONOMIKA I MEZHDUNARODNYE OTNOSHENIYA No 4, 1988, p 24).

2. Let us note that even the experience of capitalist multinational corporations shows a gradual weakening in the motivations for multinational activities of differences in the cost of manpower. For example, it is only the similarity of economic systems that can explain the reason for which Japanese companies willingly invest in the economy of Taiwan rather than in the PRC, although the per capita income on the island is higher than on the continent.

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#### As Others See Us

18020011o Moscow *KOMMUNIST* in Russian No 5, Mar 89 (signed to press 17 Mar 89) pp 116-122

[Article by Yevgeniy Petrovich Chelyshev, academic secretary, USSR Academy of Sciences Literature and Language Department]

[Text] My specialty is Oriental and literary studies. I study the literature of the peoples of the Orient and their culture, and for many years my practical activities have included cultural exchanges with Oriental countries. Naturally, I am concerned with making our ties with peoples of foreign countries more sincere and humane and, therefore, more fruitful, and to upgrade the efficiency of cultural exchanges.

Today, as we take a critical approach to what we did and how we did it in this area, we can see how limited our possibilities were because of dogmatism, bureaucratism and, finally, simply the desire to present wish as reality. Actually, however, a great deal had already become apparent both in the recent and the more distant past.

At the start of 1982 the social science section of the USSR Academy of Sciences Presidium decided to make a comparative analysis of the efficiency with which the socialist and the bourgeois systems influenced culture in the developing countries. I was assigned to head this work. In our studies we proceeded from the fact that the existence of the world socialist system, which was giving moral and practical aid to the peoples of Asian and African countries following the path of independent development, was an important factor in strengthening their national independence and developing progressive social thinking and culture. The main task, however, was to determine unused opportunities and draw attention to errors and omissions. The study of the situation proved that the efficiency of our cultural exchanges with the

developing countries was, unfortunately, small compared to that of the Western countries, the United States above all: Their aid was more skilled and efficient and technologically better equipped.

Our conclusions and considerations, based on an objective comparative analysis, was by no means always accurately understood and, sometimes, simply rejected. The effectiveness of our cultural exchanges with foreign countries was, as a rule, exaggerated, while Western influence was played down. In defending the honor of the uniform, some of our leaders in charge of for cultural exchanges, frequently interpreted critical assessments and evaluations as "defamation" and interference in the activities of professionals, preferring to work as they did in the past rather than take a risk and to avoid the taking of initiatives, for no one knew how they would be assessed by their superiors....

It would be unfair to say, however, that in the meantime we had failed to come across in various organizations people who were involved in practical cultural exchanges and who, despite the rigid rules, shunned mental stereotypes, truly cared for their work, and sought ways to enhance its real efficiency.

Over a long period of time I have visited universities in the developing countries, where I usually look at the textbooks used to teach the history, geography, economics, and culture of the Soviet Union. Such books are mainly written by American and British authors. I have repeatedly asked my colleagues why is it that their universities do not use textbooks about our country written by Soviet authors and published in the respective foreign language by Izdatelstvo Progress, and what do they find unsuitable in them? My interlocutors would either leave my question unanswered altogether, or would give me evasive answers. It was only later that I realized that this was done out of courtesy....

At one point, when I persisted in getting a clear answer, a noted Indian book publisher, who had great sympathy for us, answered: "Because the books you publish about your country are considered in ours as propaganda literature. They are almost totally focused on self-glorification."

Does this mean that this entire complex machinery of writing, publishing, and distributing such textbooks was running idle? Naturally, big fees were paid, victorious reports were drafted listing the sizable editions of books and textbooks for universities in developing countries. In other words, the impression of a fictitious well-being was created. Meanwhile, the young people, the students in the Third World, acquired in their universities ideas about our country from foreign and, as a rule, tendentious versions. It is not astounding, therefore, that some sociologists in developing countries claim, for example, that it is precisely the students, compared to the other population strata, who show the least liking for us and who mistrust works published in our country.

How to correct the situation? How to write textbooks about the USSR which would be accepted by the universities of the liberated countries? In the past I had discussed this topic with the managers of Progress. I learned, from this talk, the way the publishing house had tried to solve this problem. It had addressed itself to a number of Soviet authors asking them to write a textbook which would describe the history of our country objectively and truthfully. No luck! "No one wants to risk it," the publishers told me. And even if such a textbook were to be written and published and accepted by a foreign university, it could be quite easily compared with the textbooks used to teach Soviet history at home. How would we be able, in that case, to explain differences in the textbooks used by foreign and by Soviet students?

"How can you tolerate the fact that in countries friendly to us students are learning about the Soviet Union from textbooks written by American or British authors, whereas our textbooks in English, written about our country, are not used?" I asked several years ago the Mezhdunarodnaya Kniga representative in India, who had once been my student. Let my former student forgive me for telling the sad story of the way, at his own risk, he tried to solve this problem. He suggested to an Indian professor to adapt a textbook on Soviet history, published by Progress, to the curriculum of the university in New Delhi. He paid an Indian author, out of Mezhdunarodnaya Kniga funds, a fee for his work which was reduced essentially to eliminating the "blank spots," omissions, and hints found in our textbooks. The thus supplemented textbook was sent to Moscow in the hope that, finally, a solution to such a sensitive problem had been found. However, instead of an expression of gratitude for the useful initiative, the representative of Mezhdunarodnaya Kniga in New Delhi was severely dressed down by his superiors, who considered the textbook "revisionistic." Naturally, the book was not used. To this day foreign students continue to study about our country from textbook written by Western authors (Soviet textbooks in the natural sciences, medicine, and technology are extensively used abroad). We must urgently do everything possible to write truthful books about our country, which could be acceptable by foreign universities as textbooks. Naturally, we need this for our own use as well.

Here is another question related to the printed word. We have several publishing houses which produce books in foreign languages, for foreign distribution. Many of them have become quite popular among foreign readers, particularly those dealing with the works of Russian classics and books written by Soviet writers, as well as works on scientific problems. The Mezhdunarodnaya Kniga Association is in charge of distributing such books. However, I have always been interested in the question of how many and what type of books published in our country do not enjoy any demand abroad, piling up in warehouses and bookstore shelves and then written off and recycled into pulp. Alas, this too happens.... Naturally,

objective data on such failed books would help us to solve a number of practical and theoretical problems. In the past, however, such information was considered secret. Occasionally, one or two unsuccessful books would be listed "in strict secrecy." In some cases, such "secrecy" could be found not only in *Mezhdunarodnaya Kniga*. Is such "secrecy" still with us?...

For many years, our mass information media and, to be honest, all of us tried to idealize our reality abroad and scale down, suppress shortcomings. Correspondingly, our attitude toward various members of the foreign public was frequently determined by their attitude toward this image, and by what they said or wrote about us. Critical statements about the USSR were mandatorily considered by us as an indication of unsympathetic and even hostile attitude. Conversely, we patronized people who were generous in their praises of the Soviet Union. Such praises were willingly quoted in our press and it was on their basis that we gauged the prevailing public opinion in one country or another. Naturally, we must not ignore the various assessments of our country, but nor should we absolutize them and exaggerate their importance. Frequently, those who criticize us are true friends and well-wishers, while those who have steadily praised and supported each one of our steps in fact proved to be hypocrites.

In this connection, today the question of the attitude toward so-called bourgeois Sovietology becomes particularly relevant. The question of the perception and interpretation of Soviet literature abroad and, with it, of our history, social thinking, and the entire culture of the Soviet people is not only of major scientific but also of great sociopolitical significance. Many foreign historians, sociologists, cultural and literary experts, critics, and translators are involved in creating an image of the Soviet Union in their own countries, looking at us through the lens of their own perception. Most frequently we reprimanded and stuck insulting labels on all foreign authors who had a critical perception of Soviet culture and our way of thinking and living. Naturally, however, there also were serious polemical works in our country, analyzing the views of foreign authors, who claimed that the various types of negative trends in the socioeconomic and cultural areas of Soviet life were organically inherent in socialism and not a result of its deformations. It is entirely clear that, in the light of the new thinking and our present honest look at ourselves the criticism of bourgeois Sovietology needs radical restructuring.

As a rule, our criticism of foreign Sovietologists was based on stricter requirements governing their work and activities, as though we forgot that they were living in a different world, in a capitalist society, for which reason they were subjected to its different influence. We frequently approached them on an insufficiently differentiated basis. "Many Sovietologists," one of our critics wrote, "may be quite different from each other but they, as though following the doctrine of the old Prussian

marshal, 'march differently but fight together,' developing their own integration." Unquestionably, many of them were quite prejudiced and hostile to us. However, those who wrote about us abroad included many analysts and serious researchers. As we re-read some works by foreign Sovietologists and we recall the curt assessments and the abuse to which they were subjected in our country in the past, we realize now that frequently they were not all that wrong as far as their assessments of various shortcomings in our literature and art and negative phenomena in our social life were concerned. Today we ourselves criticize our own shortcomings much more severely than they ever did. Occasionally we attacked not only all Sovietologists indiscriminately but also famous foreign writers who "dared" to criticize us. How much abuse was poured in its time, for example, on Jean-Paul Sartre. He was accused, in particular, of paying attention in our literature not to "novels with positive characters" but to works which, as one of our authors wrote, depicted "people who were searching, who were confused, and who came out of the Stalinist age." What was "criminal" about such views?

With our simple characterizations and dogmatic interpretations we alienated a number of foreign authors, converting them from seeking and questioning people into enemies. Thus, we thundered at the noted Hungarian scientist D. Lukacz for "revising Soviet society and Soviet literature." We blamed him for the fact that, as one of our noted critics wrote then, his works "had harmed with their revisionist attitude the principles of socialist realism and given a false interpretation to the history of Soviet society and Soviet literature." Meanwhile, however, progressive cultural workers in many countries felt great respect for D. Lukacz, whose works they studied and published. Now, it seems, we too have begun to realize that he was more frequently right than wrong. Unfortunately, we must admit that our arguments in defense of socialist realism against "attacks" from the outside, mounted by its foreign critics, were by no means always convincing. Today we realize with increasing clarity that the theory of socialist realism, which was formulated by our scientists, is unable to explain and substantiate many phenomena in contemporary Soviet and foreign artistic culture. We hope that the debates which are currently taking place in our country on this important problem will contribute to the formulation of a new, a truly scientific approach to the phenomena and processes of Soviet and world culture.

Naturally, it is difficult to level today excessively harsh accusations against our social scientists for their previous activities, considering the situation and the spiritual and ideological climate which prevailed in the country. I recall how, in the 1950s and 1960s, when the Moscow Izdatelstvo Khudozhestvennaya Literatura was publishing the collected works of Rabindranath Tagore in eight and, subsequently, 12 volumes, we were unable to convince the management of the publishing house that they had to include in full his outstanding journalistic work "*Letters On Russia*," which the great Indian poet had

written after his visit to our country in 1930. The point was that in the 2 weeks which he had spent in Moscow he had noticed not only the shoots of a new life but also those of a "totalitarian regime," about which he had openly written in one of his letters, the 13th in consecutive order. Could at that time the censors assume responsibility and allow the printing of words such as: "They (the Soviets—author) forget that one cannot strengthen a collective by weakening the individual. If an individual is in chains society cannot be free. Here the diktat of the strong personality prevails. The power of one over many cannot be fruitful in the long run." This letter was not included in our publication of the works of Tagore, and, naturally, it was not the person who had categorically instructed that Tagore be "cut off" but we, those who dealt with Indian culture, who had to explain why this had happened, although at that time we were helpless to do anything about it. But could it be that it was a good thing that this letter was not included in the Russian edition of "*Letters On Russia*?" Had that letter been noticed by any one of our zealous fighters against Sovietologists, most likely he would have abused a great Indian and a friend of our country. The case of Tagore, naturally, is not isolated. Many of our scientists and translators of foreign works frequently came across such practices.

I believe that our duty today is to enable the Soviet readers to become acquainted with this letter by Tagore and thus present his "*Letters On Russia*" in their entirety.

We are changing and so is our country. This cannot fail to have a positive impact on foreign Sovietologists or, in any case, on those among them who are truly seeking the truth and who look at us without bias. Generally speaking, it is time to stop using the term "Sovietologist" in parentheses, in a pejorative connotation. In the same way that we say Americanist, Japanist or Indologist, i.e., people who are engaged in the study of the United States, Japan, and India, this term should mean simply a person, a scientist who studies the Soviet Union. This does not label him in the least as our slanderer or enemy.

Let us also point out yet another feature, which was quite widespread in the past, concerning the work style of our authors who criticized bourgeois Sovietologists who were engaged in an ideological struggle against us: so-called selective quoting. In such works, the polemics are essentially based not on the views of the authors but on excerpts which are arbitrarily taken out of context and subsequently given a scathing interpretation. Such "forbidden" methods can only compromise the very concept of ideological struggle. A number of examples of this kind could be cited in which viewpoints of foreign authors have been represented incorrectly and tendentiously. Let me refer to the polemics with Roger Garaudy (INOSTRANNAYA LITERATURA, No 4, 1965) on the subject of the so-called "realism without shores." The absence of standards, of a professional standard of debates and the use of the forbidden method of

"selective quotation" were not able to change the views of the noted French literary worker but only contributed to his alienation. Unfortunately, this forbidden method, which had already become compromised in the past, is sometimes used in our country to this day by some authors in discussing our domestic problems and trying to whitewash someone and present him in a suitable light, or else in defaming, hitting someone. It is self-evident that such publications hurt democratization in our country and do not contribute to developing an accurate idea of such processes abroad.

Something else. In order for a debate to be efficient, it should be based on the ideas which are today in the center of attention and not those which have become obsolete. Frequently, however, such trailing behind events is not exclusively the fault of the writers but also of the publishing houses, caused by the extremely long time which it takes to publish a scientific work in our country. There is another reason as well: our inadequate supply of facts and knowledge of the contemporary reality of artistic practices and social thinking abroad. As in the past, we suffer from a severe lack of information. Possibilities of ordering the necessary publications from foreign countries are still exceptionally limited, and our social science is still surviving on hungry rations. We still have obsolete regulations and instructions which do not contribute but hinder international scientific cooperation. The results and efficiency of such cooperation are still being insufficiently studied and summed up. As we try to promote increased cooperation and in order to enhance our dialogue with the broad circles of the foreign public, we cannot fail to notice that in the contemporary world there still are many people who are displeased by the growing sympathy shown for the Soviet Union and who are doing everything possible to lower the attractiveness of socialism and to discredit the ideas of perestroika and renovation of Soviet society.

The ideological struggle in the realm of culture continues uninterrupted throughout the world. However, we must wage this struggle with contemporary scientific methods, in the light of the new thinking which reflects the realities of the end of the 20th century and requires the restoration of the truth, the rejection of obsolete stereotypes and dogmas, and the assertion of a new positive vision of the world. Honest and frank discussion on pressing and sensitive problems and a sharp and principle-minded self-criticism trigger a broad response throughout the world and contribute to the elimination of various prejudices and biased opinions about our country, which accumulated abroad over a long period of time.

I realized this yet once again at the 12th International Congress on Comparative Literature Studies, which was held in Munich by the end of 1988. More than 400 scientists from 30 different countries participated in its proceedings. Our foreign colleagues showed extremely great interest in anything currently taking place in the USSR and approvingly referred to the processes taking place in our country of the spiritual emancipation of the

individual and the democratization of Soviet society. This applied even to those who previously showed mistrust of and prejudice against us. We were able to judge of the changing climate of humanitarians abroad specifically by the negative and ironic reaction which was triggered by the demagogic statement which N. Vollek, an American of Russian origin, made, which was inimical toward the Soviet Union and the members of the socialist community. "It is obvious that she is poorly familiar with your perestroika. For that reason, her voice sounded as though coming out of the past," one of the organizers of the congress said, expressing regrets on the subject of this statement, which turned out to be the only one of its kind delivered at the congress.

I believe that the information which reaches the foreign public on current events in our country is not always sufficiently complete and objective. That is precisely why it is particularly important today to enhance scientific cooperation and to broaden and strengthen ties and, naturally, significantly to upgrade the level of the work of our mass information media addressed at foreign audiences. Such information must always be current, objective, and truthful and must not be different from what we write today about ourselves. It must help to see us not through rose-colored lenses, not in a trick mirror, but precisely the way we are today. In that case people will trust and respect us more. Let us note, in this connection, that we must firmly abandon our old concepts according to which we alone have the monopoly on truth. This false idea was quite damaging to ourselves. Thus, at the international scientific conference on "Global Problems of Our Time, and New Thinking and Culture," which took place in November 1988 in Berlin, and which I had the opportunity to attend, we noted that, as a rule, those who asserted such monopoly tried to support their arguments less with objective studies of reality than dogmatic interpretations of quotations borrowed from the works of the Marxist-Leninist classics.

Finally, let me mention a factor which, it seems to me, plays an important role in shaping the image of our country abroad. It is a question of the way we look, the way we behave in the course of multilateral cooperation with other countries. This applies above all to anyone who is directly involved in such work and who is answerable for its fruitfulness and efficiency. Unfortunately, we frequently hear and see how, because of low efficiency and speed in carrying out various plans and obligations and because of bureaucratism and red tape, we appear abroad in a very poor light, as not very reliable partners. I can see on the basis of my own long experience that insufficient attention is being paid to such phenomena and, as a rule, they are simply ignored. "Why are you being petty," our scientists have been told by representatives of different departments and organizations engaged in cultural exchanges, whenever we have tried to determine the efficiency of their activities, as we pointed out at the start of this article. Such "petty matters" are encountered not only in cultural exchanges. During the period of stagnation they became widespread

throughout the entire system of cooperation with foreign countries. However, it is precisely such "petty matters" that harm work of great governmental significance, for which reason the sooner we get rid of them the better.

Speakers at the international scientific conference on "Topical Problems of Development of Contemporary Socialism," which was held in Moscow in 1988, emphasized that in the course of perestroika a process is under way of the renovation and cleansing of socialism and its humanizing, which calls for the restoration within our society of moral values, such as conscience, honor, and the dignity of man. It was precisely these features that have always been inherent in those among our compatriots, among those heroes of Russian classical and Soviet literature who embodied in the eyes of the foreign public the image of the Soviet person, who was the first to make a socialist revolution in the world, who saved the world from the brown plague, who gave fraternal help to the peoples fighting for their freedom and independence, and who opened the way to space.... Today the attention abroad is increasingly drawn on Soviet literary works which were suppressed or banned in our country in the past, while their authors were subjected to persecutions and repressions. The characters in the novels by Vasilii Grossman, Anatoliy Rybakov, and other writers bear the features of the character of the Soviet person, such as spiritual firmness, selflessness, and ineradicable faith in the ideals of socialism and in the triumph of truth and justice. The process of cleansing socialism and the assertion of the truth is gathering strength. In that area, social scientists, have an important role to play.

We, as others see us.... How are we seen and perceived abroad? Occasionally, unfortunately, as a result of our own errors, blunders, and misconceptions, we are looked upon with mistrust and, sometimes, with hostility. However, an increasing number of people in the contemporary world are looking at us with friendly eyes, and it depends on us for their number to increase steadily.

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#### Dialogues in the Name of the Future

18020011p Moscow KOMMUNIST in Russian No 5, Mar 89 (signed to press 17 Mar 89) pp 123-125

[Interview with A.K. Avelichev, director of Progress Publishing House]

[Text] Within the framework of recently thoroughly updated plans for the publication of works on philosophy, sociology, economics, and history, Progress Publishing House is engaged in the publication of dialogues in which representatives of different social systems, ideologies, and political views discuss the most important universal problems which affect today the earth's population. The very first such works have triggered a broad social response

both at home and abroad. A KOMMUNIST correspondent asked A.K. Avelichev, director of Progress Publishing House, to comment on books included in this series and the series purposes and tasks.

[KOMMUNIST] Judging by the topics of the books already published or being readied for publication, and their authors, could we assume that the publishing house is trying to involve noted Western scientists in the development of new thinking?

[Avelichev] Our concept of this series is broader. New thinking itself, which not only characterizes the current changes in the entire philosophical foundation of inter-governmental relations but which also gives a humanistic meaning to changes in the processes of our internal perestroika presumes, above all, a firm rejection of any efforts to "involve" anyone into something which conflicts with his views and ideas. Today we see with particular clarity the absolute futility of such intentions which are well familiar to us from previous experience.

Clearly, the fact that new thinking, based on an essentially very firm acknowledgment of the priority of universal human values over any class or ideological differences, is dialogical by its very nature, and essential in understanding the concept behind this series published by Progress Publishing House. How can one seriously develop international scenarios for a universal concept if we fail to consider within it the multiplicity of interests, differences of approaches, and noncoincidences in the concepts of different political and social forces relative to that same future? What would be the result of refusing to acknowledge such pluralism and variety: an impasse, a crisis or a catastrophe? Yet it is precisely this that mankind would like to be rid of once and for all. In the contemporary world, with its major conflicts, the need has arisen to mobilize the intellectual potential of East, West, North and South, to undertake the joint solution of universal human problems. The new thinking is a key to the developing standards of the dialogue on the future of mankind. In my view, the standard of a dialogue implies the respectful and, therefore, the only suitable way of consideration of someone else's thoughts and statements and, in the final account, the "ecology" of one's own thinking. The intellectual mastery of differences is the first step in the search toward the sensible joint elimination of the impasse created by differences. As in the past, we continue to need this urgently. Such is, briefly stated, the starting point which motivated our decision to undertake the publication of such books-dialogues.

[KOMMUNIST] So far we are speaking only of the "supertask" of the series. But there also exist problems of, so to say, ordinary nature. How did the idea of writing such books appear? Did it meet with immediate approval? Were there opponents?

[Avelichev] The idea for the first book was practically "gifted" to us as early as 1984 by Professor Yuriy Popov and the Swiss social democrat Jean Siegler, professor at the University of Geneva. It is perhaps precisely because at that time we were unable to accept this gift immediately and to include that book in our publishing plans until April 1985 that we are so keenly aware today of the tremendous distance which the country has covered since then. There were no open opponents of the book. The advice given by the various "authorities" was very vague and evasive. Indeed, this book which, at that time, was not even conceived as being the first-born of the future "Dialogue" series, included a number of unusual features: Soviet and Swiss scientists, specialists in economic and political problems of the developing countries, who held quite disparate ideological views, undertook to consider the most pressing problems related to surmounting Third World backwardness. This presumed a thorough study of the role of the "superpowers" in their socioeconomic progress. How could we avoid at that point a discussion on the senselessness of the astronomical waste of the arms race involving the participants in this "marathon," or a discussion on the responsibility of both sides for the state of affairs in this area or else again a discussion of human rights and the war in Afghanistan? What about SDI and the SS-20? What about the fate of Academician A.D. Sakharov and the "refuseniks?" The difficult decision to begin work on the book by J. Siegler and Yu. Popov "*Year 2000: Death of Mankind?*" was, in the final account, made by the publishing house independently, and the book itself was printed in 1986 without a single cut or abbreviation. It was in this aspect that it was immediately published in the FRG, France, Italy, and Argentina. This marked the birth of our series.

The publication of a second such book—"Breakthrough: Establishment of New Thinking," was a major success. This was a sharp and passionate dialogue between Soviet and American scientists, aimed at surmounting the syndrome of nuclear insanity. This book recently came out in a second edition (less than 1 year after the first). Work on it and the tremendous number of reviews in the Soviet and American press (our partner in this project was Walker and Company Publishers) forced, it seems to me, many Soviet and American editors to look at the result of their efforts with amazement: Obviously, there is no greater reward for a publisher than a book which becomes part of culture, gets into scientific circulation and become a fact of social awareness.

[KOMMUNIST] Therefore, the very title of the book is symbolic, in the sense that it represented a breakthrough in new areas of publishing.

[Avelichev] You are right. A book teaches not only the reader but also the publisher. Quite recently, the dialogue between John Kenneth Galbraith, the American economist and noted public personality, and his Soviet colleague, economist Stanislav Menshikov, entitled

"*Capitalism, Socialism, Coexistence*," came out. The reaction of the readers proves that the publication of this book was a noteworthy event.

[KOMMUNIST] Why?

[Avelichev] Obviously, never before has there been in our country such a pragmatic and firm need to take a look at our own selves, at our sociopolitical and economic life as there is today. On the level not only of the mass and ordinary but also the scientific-theoretical awareness, willy-nilly we largely were building socialism as anti-capitalism. We now realize that the society we built is still quite far from the socialist ideal. Perhaps one of the reasons for this is that one cannot build exclusively on the basis of negation. The book by Galbraith and Menshikov is an effort to provide a comparative analysis of the two systems and their problems and accomplishments. Having abandoned the confrontational approach, the participants in the dialogue tried to bring to light all that brings these systems together, despite different ideologies and social systems. Let us take as an example a problem such as bureaucratism. Capitalism is well familiar with it. And let us look at problems of economic profitability, production discipline, and the status of women in society. All of them are quite pressing in either system.

In the United States, the book was published by Houghton Mifflin. It has already received extensive international coverage and we and, I believe, our American colleagues, have received many requests for further editions in other countries. A very interesting aspect as well has appeared: Even prior to the publication of the book, we asked that it be published not only by our foreign partners but also by a number of publishing houses in Union republics which intended to reprint this dialogue in their national languages.

[KOMMUNIST] The press has already announced the publication of the book by Swedish writer Rolf Edberg and USSR Academy of Sciences corresponding member Aleksey Yablokov "*The Hard Road to Sunday*."

[Avelichev] This work, which deals with global ecological problems, went on sale at the end of last year, after its presentation to the press and the readers, with the participation of the two authors. Incidentally, R. Edberg is one of the most popular people in Sweden. He is a journalist, traveler, diplomat, and writer. These are by no means all of his special skills and vocations, which are apparent in each replica in that dialogue. A. Yablokov is a biologist, ecologist, and also a traveler. As a capable professional but, nonetheless, a person who can emotionally assess the consequences of the pernicious influence of man on nature, in the course of his discussion with Edberg he sadly noted that "sometimes I begin to hate my science, for it provides me with knowledge which clutches my throat."...

[KOMMUNIST] Forgive us, but what does actually "in his discussion" mean? Does it mean that your dialogues are not based on correspondence but are conducted face to face?

[Avelichev] Precisely. Let me stipulate, however, that the recently published "*Thoughts on Safety in the Nuclear Age. Dialogue Between East and West Generals*" was a dialogue by correspondence. We compiled a collection of articles especially written for us. As to the authors of other books, all of them have repeatedly met face to face for a dialogue. What makes such books particularly interesting is that one can sense in them directly the dynamics of the thoughts of individuals who are looking into each-other's eyes. They include a natural play-wrighting aspect.

Recently, in February, Progress published yet another book-discussion with the participation of USSR Academy of Sciences Corresponding member Anatoliy Gromyko and former U.S. Secretary of Defense Robert McNamara, "*Will Earthlings Survive?*" The result was an extremely sharp and interesting talk on relations between the United States and the Soviet Union and their relations with other countries and relations among countries with different social systems. This, however, is no longer a dialogue between two opponents but a roundtable involving five authors from different countries. Also participating were Boutros Ghali, Egyptian minister of state for foreign affairs, Luis Echeverria, the former president of Mexico, and Richard Sclare, University of California professor.

[KOMMUNIST] We have discussed essentially books published last and this year. What else does the portfolio of the publishing house include?

[Avelichev] I would prefer to speak cautiously about the portfolio, for much of what it includes has not even been written yet although the authors are already at work. A large number of topics have appeared now, which we either did not touch upon in the past or else dealt with quite inadequately. We intend to undertake, in the immediate future, preparations for a dialogue tentatively entitled "*Communists and Social Democrats*." Unquestionably, such a book would be useful and timely, taking into consideration the new opportunities of the labor movement throughout the world. We also have notes on possible authors. We are hoping to have this book ready next year. Another topic which is also extremely interesting is "*Marxists and Christians*."

A book jointly written by Zoya Boguslavskaya and Francine du Plessis Gray (United States) on women's problems in the contemporary world is almost ready for publication. We are looking forward to such an unusual debate. This project is being done jointly with the big American Doubleday Publishers. Another discussion will come out, entitled "*Prospects for Peace. View From Three Worlds*," written by R. MacSorley (United States), A. Diaz-Callejas (Colombia), and Sergio Mikoyan.



Also awaiting publication is a book on problems of national relations, which are of great interest to millions of people on earth. Obviously, we shall try to organize something like a roundtable with a sufficiently broad representation. In addition to representatives of our Union republics, we intend to invite for such a debate scientists from India and Yugoslavia, which are multinational countries and which, like we, are engaged in solving similar problems, encountering difficulties, and seeking ways of surmounting them. In general, we are hoping for a serious businesslike discussion, based on the contemporary level of knowledge and practical experience. If we are able to carry out this project as planned, I hope that the result will be an interesting book which will enable us to understand better problems in the area of nationalities in modern society.

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**The 41st President of the United States Speaks  
About Himself**

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Mar 89 (signed to press 17 Mar 89) pp 125-126

[Review by Ye. Shashkov of the book "*Glyadya v Budushcheye*" [Looking At the Future] by George Bush. Autobiography. Translated from the English. Progress, Moscow, 1989, 333 pages]

[Text] This book came out in the United States last year, when George Herbert Walker Bush was a candidate for President. However, this work is not simply a tribute to a U.S. tradition, according to which the applicant for a more or less high political position, not to mention a candidate for the presidency, publishes his political biography. The idea of writing a literary autobiography came to George Bush as early as the 1970s. "I wanted to tell my story, to describe my experience...." which covers, as he writes in the preface to the book, the early period, "which shaped my life, my values, and my philosophy" (pp 11-12). In short, we do not simply have the autobiography of the head of the present American administration, written in cooperation with the journalist Victor Gold. It is the political portrait of George Bush, a former pilot, World War II veteran, organizer and owner of an oil company, U.S. ambassador to the United Nations and, subsequently, China, chairman of the Republican Party National Committee, director of the CIA, vice president of the United States and, finally, occupant of the White House. It is his view on the "final years of the 20th century..." (p 10).

The very fact of the publication in our country of the political autobiography of the new President says a great deal. It constitutes, above all, a serious and thoughtful approach to the multicolored array of components which

shape the complex gamut of hues of international relations, not simply noting the ever growing role of the human factor but also the fact that a more important meaning is ascribed to the study of the personalities of leading Western politicians.

All of them (and George Bush is no exception) are the children of their time, their class. And each one of them has the task of how better to express the political will of the class, stratum, and population group he represents. Such people will not accept either socialism or Marxism. However, should they become convinced, on the one hand, that in our nuclear age socialism cannot be destroyed in its governmental form without perishing themselves in the attempt and, on the other, should they see readiness for coexistence and peaceful competition between the two systems, would it be possible to deny that under the influence of these circumstances the leaders of the capitalist world will not make corrections both in their assessments and their politics?

Very instructive, in this sense, is the history of the political development of George Bush's predecessor. Starting with the thesis of the "evil empire," by the end of his presidency, finding himself in the very heart of the USSR, on Red Square, Reagan publicly declared that he no longer thought so. What brought about such a metamorphosis in the view of the American President? Unquestionably, it was not his reconciliation with socialism as an ideology, but the conviction which appeared in the course of meeting with the new Soviet leadership that the latter was seriously holding on to the proclaimed concepts of a new political thinking and had irreversibly adopted a nonconfrontational approach. Equally unquestionable is the fact that Reagan, Bush, and the entire Republican administration could no longer ignore the feeling of sympathy which was growing in American society for a restructuring Soviet Union. The question was different: Could Reagan, a 77-year old man, who was perfectly aware of the number of days he had left in his position, drop incantations on the subject of the "evil empire" had an unbreachable dogmatism been one of his character traits?

What do we know about Reagan's heir, the 41st American President, as a person? Here is the way he comes out in his autobiography, if we were to compress within a single paragraph the numerous aspects of his portrait, scattered throughout the 10 chapters of the book: The son of wealthy parents (father, a businessman and noted senator; mother coming from the family of a financier); he began to fly on his own "wings" without their help; the 19-year old adolescent flew a bomber and was saved by a miracle after his airplane was shot down by the Japanese (he was picked up in the ocean by a U.S. submarine); a successful businessman who gave up business for big-time politics; an educated family man, respectful of the role of religion in life; an excellent athlete and, in general, "an old boy." In the past 8 years, in accordance with the country's Constitution, he performed the functions of "understudy" of the head of

state, displaying total loyalty to his "boss," and following in his political fairway (see p 287). He proved himself to be a very strong personality, challenging the sesquicentennial electoral practice (for more than 150 years no single vice president in office had been able to win the electoral struggle to replace the occupant of the White House). He was able to pull out of the "shadow" of his predecessor. His slogan is "learn to focus your energy on what you can change and do not worry about what you cannot change" (p 37), a slogan which proved successful.

The biography of any person, not to mention that of a head of state is, unquestionably, interesting. In the final account, however, it does not define the person's political profile. This profile depends to a greater extent on the baggage of knowledge and convictions. The political views of George Bush are based on his view of America as a beacon of hope. We are "sailing on the arc of universal freedom," George Bush writes, repeating the familiar statement by Herman Melville, the American 19th-century writer (p 20).

For entirely understandable reasons, we are interested, more than anything else, in the views of the new President on international problems and on the problems of war and peace. Let us frankly say that they are quite contradictory, judging by the autobiography. In recalling his participation in World War II, George Bush writes: "The experience of the war years is reflected in all of my actions and strengthens my resolve to see to it that other people are spared my experience. I believe that such feelings live in the heart of the Soviet people as well." He also says: "... War is a terrible misfortune which we must prevent" (pp 9-10). A few pages later, however, assessing from present-day positions the atomic bombing of Hiroshima and Nagasaki, he emphasizes that "Harry Truman's decision was not only daring but far-sighted. He saved the world and the Japanese people from unimaginable mass destruction" (p 71).

Statements which reflect the great dynamism of the contemporary world, the desire to find his own approach to the solution of the most difficult problems of civilization, the fact that "in what is left of the 20th century one can still achieve a great deal on the way to peace and more stable international relations, which will require persistent work but for which I am ready" (p 10) coexist in the book with statements which cannot be described as anything other than anachronistic: "In our talks with the Soviets we must act from a position of strength..." (p 14).

Nonetheless, an overall assessment of the attitude of the author of this autobiography to the key problems of the present—the elimination of nuclear weapons, demilitarization, and strengthening anything positive already achieved in Soviet-American relations—gives a reason to be hopeful. The President himself speaks of "vigilant optimism." He writes: "Such will be the credo of the Bush administration in relations with the Soviet Union in the

years to come. If Soviet speeches of 'openness' are consistent with Soviet steps which would permit close monitoring, progress can be achieved in reducing both intercontinental missiles as well as conventional forces" (p 14).

It was only after the presidential elections, and after M.S. Gorbachev's speech at the UN General Assembly and his meeting with Reagan and Bush on Governor's Island, the leitmotif of which was the idea of continuity, that the new occupant of the White House and other members of the U.S. administration repeatedly stated their aspiration to continue the talks on nuclear missile disarmament. They also emphasized that they need time to set their priorities in international politics, make new assessments, and, in a word, look around. Possibly, a certain time for reinterpretation will indeed be necessary. The main thing is for this process not to become "endless."

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#### Short Book Reviews

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[Text] N.Ya. Petrakov, "*Demokratizatsiya Khozyaystvennogo Mekhanizma*" [Democratization of the Economic Mechanism]. *Ekonomika*, Moscow, 1988, 270 pp. Reviewed by P. Bunich, USSR Academy of Sciences corresponding member, and G. Kiperman, doctor of economic sciences.

In recent years the interest of the public in economic problems has shown a sharp increase. Prime attention to such problems is being paid by the mass information media. Nonetheless, the process of surmounting social myths and simplistic and distorted concepts of socialism is not advancing as quickly as we would like it to be.

The only thing that can oppose a myth is knowledge. Perestroyka demands not blind faith but understanding of objective socioeconomic patterns in the development of society and, on this basis, the shaping of the inner belief of the people in the need for the changes which are taking place. However, the spreading of economic knowledge is frequently obstructed and unnecessarily complicated by the language of scientific publications. That is why one of the merits of this book, in addition to the depth of scientific analysis it provides, is the clarity of the presentation of complex theoretical problems and accessibility to a wide range of readers.

The book helps us to understand problems which are today the focal point of attention of the science of economics and which affect the interests of millions of people, for which reason they particularly concern them. Above all, it helps to understand the interconnection among all the elements of the concept of economic restructuring. One cannot hope for any serious result of any, even the most radical measures if carried out in

some separate and isolated directions, in the absence of or delayed progress in other. For example, as the author emphasizes, "self-financing outside the wholesale trade in means of production and without limiting state orders to the minimal social requirements and, in the final account, without self-management could theoretically degenerate into a meaningless definition and, in practical terms, into a new form of economic dependency" (p 233). Such an approach to perestroika in the economic mechanism, which reflects the interconnection and hierarchy of economic processes, makes it possible to be guided in seeking solutions to national economic problems by the requirements of objective economic laws.

No single economic phenomenon has had such a long and grave impact on the daily life of the population and the production activities of labor collectives as the scarcity of consumer and industrial resources. The author links this to the lengthy neglect of commodity-monetary relations, which led to the acceptance in economic practices of the idea of total permissiveness in the handling of resources, allegedly based on public ownership, which led to gross violations of the law of monetary circulation.

The consequences of the disturbances in the financial system were manifested in the growing commodity-monetary imbalance. The author proves that the growth of the monetary circulation has always significantly outstripped the growth of the public product and the national income. The continuation of such trends could block everywhere the shaping of the new economic mechanism, the outcome of which depends, to a decisive extent, on the condition of the fiscal system (see p 106).

Without normalizing monetary circulation, the growth of output, paralleled by an increasingly faster growth of income, can only aggravate shortages. This conclusion may be drawn from the analysis provided in the monograph of the existing economic situation and also confirmed by widespread economic management practices. The author draws another conclusion as well: Considering the great surplus of solvent demand over supply, price setting as well cannot be considered the main instrument for eliminating scarcity (especially of consumer goods). Nonetheless, with the stabilization of monetary circulation, the importance of the price factor in achieving a balanced market will grow. In this connection the idea supported by the author, of using balanced plan prices to coordinate physical with value flows and national economic with cost accounting interests appears fruitful.

It is precisely on the basis of such positions that concepts which make the development of wholesale trade dependent on the elimination of scarcity are criticized. According to the author wholesale trade "is not the result of the elimination of shortages but an instrument in the active struggle against them" (p 182).

The entire monograph is imbued with the idea of democratization of the economic life of society. Citing extensive factual data, the author proves that ignoring the democratic foundations in organizing the management of the socialist economy led to the development of the mechanism which obstructs the country's socioeconomic development.

The all-round study of the management system, as it developed in previous decades, and the reasons for the failure of the 1965 reform enabled the author to avoid one-sidedness and simplifications in describing the ways to correct the existing situation. The point is not to diminish centralism and add autonomy to enterprises but to democratize the methods of centralized management themselves. N.Ya. Petrakov, who rates positively the steps taken in that direction, cautions against the illusion that now, when economic restructuring has entered the stage of practical action, all problems are behind us and all that is left is to work out the details. In reality, as indicated by the initial steps, the full identification of the potential of democratic centralism is a difficult task which requires the solution of many other basic problems.

The monograph is not free from shortcomings. Thus, in a number of cases the author overrates the effectiveness of the decisions which were made. In particular, he provides no critical analysis of the two models of cost accounting. Yet practical experience has already highlighted their weak aspects. In some cases, with no substantial reasons, the author has paid a great deal of attention to problems already solved by the science of economics (such as proving the interconnection between cashless and cash monetary circulation). As a whole, the book is a good-quality study of topical problems of economic life.

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#### Chronicle

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[Text] A meeting between representatives of the editors of *KOMMUNIST* and the chairmen of party control commissions of the central committees of communist parties of Union republics, and CPSU kraykoms and obkoms was held at the CPSU Central Committee Academy of Social Sciences. Problems of the political reform, renovation of the party, and its vanguard role in perestroika were considered.

The electoral appeal of the CPSU Central Committee, the role of the press in economic and political changes and in upgrading the efficiency of ideological work were discussed at a meeting with the collective of Izdatelstvo Sovetskaya Rossiya.

Journal associates met with scientists and engineering and technical personnel of the USSR Academy of Sciences Noginsk Scientific Center. They described the participation of KOMMUNIST in the perestroyka taking place in the country in all aspects of social life and the coverage of the electoral campaign by the mass information media.

The course of the electoral campaign, urban ecological problems, and the role of the press, television, and radio in perestroyka processes developing in the party and society were discussed at meetings with workers at the Orenburg drilling equipment plant, and city and soviet deputies and personnel of the mass information media.

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